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Dimensions of Servant-Leadership in American Not-for-Profit Hospitals

William C. Mason
University of North Florida

Dimensions of Servant-Leadership

in American Not-for-Profit Hospitals

by

William C. Mason

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July 12, 2002

Committee Chairperson

Accepted for the Division:

Signature Deleted

July 31, 2002

Division Chairperson

Accepted for the College:

Signature Deleted

July 31, 2002

Dean, College of Education & Human Services

Accepted for the University:

Signature Deleted

July 31, 2002

Graduate Dean

Dedication

This dissertation is dedicated to the memory of my son,

Stephen Evans Mason

October 16, 1968 June 21, 1997

Acknowledgements

This study began in 1999, when, after serving for nearly 3 decades as Chief Executive Officer of hospitals around the world and here in Jacksonville, I became increasingly concerned about the erosion of professionalism in American hospital leadership. I had become concerned about the growing commercialization in hospitals and the attendant increasing "bottom line" economic orientation of hospital leadership. I observed that the tradition and hospital heritage of love and compassion in patient care had lost its primacy to the importance of the dollar. Thus I set out to look for alternative philosophies of leadership that seemed to focus on love and compassion in patient care, and the encouragement of professional and personal growth of governance and management, medical staff and employees while, at the same time, providing viable economic results for the organization. After much study and consideration, I decided to investigate the philosophy of servant-leadership. Hence this dissertation.

This study has been a wonderful journey for me. Along the way I have learned much about the methodology of academic research. The dissertation process has taught me deeper lessons about patience and perseverance, about self-

discipline and the will to see a difficult task through to successful conclusion. Perhaps most importantly, through this process I have confirmed for myself something that I had long suspected - that I love to teach and that I have a gift for teaching. This, then, is also the beginning of a whole new career in one of the noblest of all professions - teaching. I plan to spend the next phase of my health administration career in the classroom teaching young people about the profession of hospital administration. I hope I can do as good a job teaching values to my students as my mother did in teaching me. Thank you, Mother.

I am grateful to many wonderful people who supported and encouraged me through this dissertation process. First to Julie, my wonderful wife, who has seen me through this process 100% of the way. Julie, you were always there to fix my margins on Word, to correct my grammar, to suggest better use of the English language, and to jump start my energy when I was tired or discouraged. I appreciate your patience with me when I was irritable, the early morning disturbance around the house when I was typing and you were trying to sleep. I promise to always get the garbage out on time from now on.

If my children learn by example, then I hope they and their children will see in this dissertation process an

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And to my dissertation committee members, thank you for your patience with me and for your continuous

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Table of Contents

Abstract

The leadership of American not-for-profit hospitals is one context in which servant-leadership finds appropriate expression. However, little research exists that explores the sources of servant-leadership within the leader, what processes leaders use to engage in servant-leadership, or what impact servant-leadership has on organizations and communities. This research presents a new perspective offering insight into those questions.

The *Dimensions of Servant-Leadership in American Not-for-Profit Hospitals* is a qualitative study of the lives and works of four chief executive officers of successful not-for-profit health systems identified as exemplars of servant-leadership. The researcher further examined perceptions of servant-leadership among colleagues of each of the four CEOs and their health systems.

The findings of the study indicated that the common denominators of servant-leadership, as perceived by those served by these four CEOs and their organizations, are that the people grew as individuals; the people felt that they were healthier, wiser, freer, more autonomous, and more likely themselves to become servants. The servant-leader CEOs gave strong evidence of a group-oriented approach to

decision making. They fostered strong organizational involvement in programs of community betterment, they each had a strong commitment to continuing education for their associates, and they demonstrated in all their activities a great love and compassion in caring for the health of their communities. Finally, the study offers valuable insights into servant-leadership which might be useful in the post-secondary education of future healthcare leaders.

Chapter One

Introduction

This qualitative study examined the dimensions of servant-leadership among chief executive officers (CEOs) of not-for-profit hospitals in the United States. The primary research question for this inquiry was "What is servant-leadership like in not-for-profit hospitals in America?" The theoretical framework under-girding the study is literature and research concerning the "effective leader." A multi-site case study research design was employed using in-depth interviews, observations, and review of artifacts (Seidman, 1998), with the CEOs and selected stakeholders in not-for-profit hospitals.

Significance of the Research

The American hospital has become a valuable asset to the status of health and the quality of life in nearly every community of our country (Sultz & Young, 2001). Though hospitals have historical roots in religious

traditions of medical care for the poor and the sick, the modern American hospital has evolved in the 20th century into a sophisticated and complex technological organization with very significant economic implications for the future of our country (Starr, 1982). These economic implications of healthcare have set up a dynamic tension between the relatively new for-profit hospital developed in the second half of the 20th century and the traditional not-for-profit hospital. This tension has resulted in competition between for-profit hospitals organized to make an economic profit and traditional hospitals organized for care and compassionate service to the sick and the poor of the community. This dynamic tension is a conundrum for hospital leaders. Some leaders today choose careers in hospitals dedicated to the motive of profit. Other leaders choose careers in hospitals dedicated to the not-for-profit mission of community service. This study will inquire about the dimensions of leadership in not-for-profit hospitals and the implications for undergraduate and graduate education in healthcare administration.

The Philosophical Foundation of American Hospitals

The Pennsylvania Hospital, established in 1751 in Philadelphia by Benjamin Franklin, was the first organized hospital in America (MacEachern, 1962). The hospital was

founded and patterned after the Hotel Dieu in Paris, a hospital organized in 1633 by a Catholic order of nuns, The Daughters of Charity. Hotel Dieu was organized specifically to provide a place where the nuns could carry out their Christian duty to care for the many "destitute and dying" of Paris (Rosenberg, 1987). The nuns relied wholly on charitable contributions from citizens of the community to furnish shelter, food and medicines for their patients. This form of service became referred to as *eleemosynary* in nature, services relying on charity or charitable donations for their existence.

Benjamin Franklin (MacEachern, 1962) saw the need for a similar hospital service to the sick and poor of Philadelphia in the mid-eighteenth century, particularly to serve the sick merchant seamen left behind by their ships suffering with scurvy, beriberi and other diseases. In 1751 Franklin took it upon himself to organize a campaign to raise philanthropic subscriptions among the people of Philadelphia to build and operate the hospital. Thus, in 1751 began the charitable, or eleemosynary, traditions of hospitals in America, hospitals organized and funded through philanthropy and charitable giving by the people of the community for the purpose of serving the sick and the poor of the community (Starr, 1982).

The Pennsylvania Hospital, still in existence today as the nation's oldest hospital, became the teaching hospital for the University of Pennsylvania Medical School. As populations and knowledge of medicine grew during the 19th century in Boston, Baltimore, New Haven and other eastern cities, each city established its own teaching hospital where medical students could be taught the art and science of medicine. The teaching hospitals were usually built through charitable contributions from their communities, and the care of the poor at the hospitals was similarly underwritten through philanthropy.

As America moved westward and southward in the 18th century, the churches and synagogues moved along with the population. The various religious denominations of Christianity and of Judaism followed their tradition of establishing hospitals through philanthropy to care for the health needs of their communities (Johnson, 1997). Thus, even today, we see a large number of hospitals with religious names such as St. Vincent's Hospital, St. Paul, Baptist, Methodist, Good Samaritan, St. Jude, Mt. Sinai and Beth Israel, and many others (Starr, 1982). These hospitals are founded upon their religious principles of love and compassion for the sick and the poor and are referred to as "faith based" organizations. In 1998 there were a total of

5,290 hospitals in the United States, of which 3,026, or 57%, were of charitable origin and nature (Sultz & Young, 2001).

The Commercialization of Hospitals

Over the past 50 years, hospitals in America have become increasingly complex organizationally, more advanced technologically, more costly to operate and more difficult to lead. In the Fiscal Year (FY) 2000 in the United States, healthcare cost the American people more than $1 trillion, or nearly 15% of the U.S. gross domestic product (Healthcare Financing Administration, 2000). By comparison, Americans spent more on their healthcare in FY 2000 than the entire national budget of all but 6 of the 167 countries in the world (Sultz & Young, 2001). Thus, American healthcare is a significant factor in the United States economy.

Approximately 33% of the entire healthcare expense in America is accounted for by the hospitals of the country, or approximately $412 billion in the year 2000 (Landa, 2002). The magnitude of that expense suggests the importance of effective leadership in American hospitals as they become ever more complex and difficult to manage.

The Emergence of Investor Owned Hospitals

With the advent of the Medicare Act, Public Law 89-97, passed through Congress during the Lyndon Johnson administration, on July 15, 1965. The federal government elected, for the first time, to provide medical and hospital services to all Americans over the age of 65. The first Medicare budget in 1966 provided $38 billion for the 17.5 million senior citizens, a very large infusion of new financial support for healthcare. The budget also succeeded in making healthcare an attractive investment for those hoping to profit through investing in hospitals (Gray & McNerney, 1986).

Investor owned hospitals, commonly called for-profit hospitals, were organized and built in increasing numbers after the advent of Medicare. By 1990, investor owned hospitals comprised nearly 25% of America's licensed hospitals (Pattison & Katz, 1983). The other hospitals in the United States were organized as governmental or community based, tax exempt, not-for-profit hospitals, serving all patients, rich or poor. In order to return a profit for the investors, the for-profit hospital corporations adopted a business strategy intended to accomplish the following:

1. Build or buy hospitals in the wealthy, well insured

neighborhoods of America with the intention of attracting paying patients, whose revenue had previously helped to support, and offset care of the poor, in community not-for-profit hospitals;

2. Provide excellence of service in highly profitable medical and surgical services such as heart catherization and heart surgery;

3. Minimize hospital services in money losing services such as kidney dialysis and chronic pulmonary function disease;

4. Minimize, to the extent possible under state law, the services of the trauma department and the emergency room, all of which tend to attract charity, no-pay patients, thereby shifting those patients to the not-for-profit community hospitals (Eichenwald & Gottlieb, 1997).

These, and a number of other business strategies, were intended to maximize profits by serving the wealthy, well insured patients while minimizing losses which might be accrued through serving poor or under insured patients. These strategies tended to siphon affluent, high paying patients away from community hospitals, the very hospitals which most needed paying patients to offset the losses of serving the poor.

The results of having for-profit, investor owned hospitals in a community were several fold:

1. The profit oriented leadership of investor owned hospitals set their charges for patient care from 3-11% higher than community not-for-profit hospitals (Taylor, Whellan, & Sloan, 1999).

2."Investor owned hospitals are profit maximizers, not cost minimizers" (Woolhandler & Himmelstein, 1997, p. 760). The tendency in for-profit hospitals is, therefore, to seek well insured patients with diagnoses on which profits can be made, and to minimize less well insured patients with costly diagnoses. Investor owned hospitals avoid providing charity care wherever possible (Gray & McNerney, 1986).

3. Investor owned hospitals keep their patients in the hospital from 2 to 3 days less than not-for-profit hospitals, no matter how acute may be the illness, in order to maximize profits under Medicare reimbursement (Woolhandler & Himmelstein, 1997).

4. Investor owned hospital corporations pay their executive leadership bonuses for minimizing the expense of care to the poor and maximizing profits for care to the high paying patients (Eichenwald & Gottlieb, 1997).

These, and other concerns arising from the growing complexity of organization and leadership in American

hospitals, led the American University Programs in Healthcare Administration (AUPHA), the Accrediting Commission of Education in Health Services Administration (ACEHSA), and the Health Research and Development Institute (HRDI) to hold a joint meeting called the National Summit on the Future of Education and Practice in Health Management and Policy in Orlando, Florida, February 8-9, 2001. The summit was sponsored by the Robert Wood Johnson Foundation and the Health Resources and Services Administration (HRSA) of the U.S. Department of Health and Human Services. A plethora of papers emerged from the summit regarding the future of health management education, the importance of leadership excellence in the healthcare system, and evidence based leadership as a key to hospital workforce stability.

One of the more interesting papers presented at the summit suggested that

> The profession of health administration has a problem with greed and obsession with money, both personal and organizational. We use all kinds of rationales and pretty words to disguise this, but the prime focus, when it comes down to cases, is on money. This single-mindedness in a very complex environment does not serve the profession well. (Friedman, 2001, p. 73)

The 2-day summit concluded with a proclamation of concern about the erosion of healthcare professionalism in core leadership values. The values at issue are community service, accountability, stewardship of community assets, emphasis on caring and compassion, quality of care, commitment to diversity, mentoring and career development.

> These values underpin our educational methods and have been central to relationships with physicians and other healthcare professionals. In a sense, the very character and ethos of the field are endangered by a melding of healthcare administrative practices into the mindset of corporate America. (AUPHA, 2000)

In response to the summit and its call for empirical research, AUPHA, ACEHSA, and HRDI are conducting a 3-year study to examine the effects of growing commercialization and complexity on the future of health administration and on the system of education for future healthcare leaders. This grant was funded by the Robert Wood Johnson Foundation.

The Not-for-Profit Conundrum

Contemporary not-for-profit hospital leadership is faced with a multitude of complexities that, together, have the potential to debilitate not-for-profit hospitals. Those complexities include the growing number of uninsured

patients, the increasing tendency to treat healthcare as a commodity, the decline of government healthcare support for the poor, and the Balanced Budget Act of 1997, which was designed by Congress to reduce payment to all hospitals by 2% per year for 5 consecutive years (Chan, Koepsell, & Deyo, 1997).

Those complexities help explain the focus of hospital management on the bottom line of individual hospitals, as well as hospital focus on competition in a very aggressive business-oriented marketplace. That sense of competition, has resulted in a business-oriented type of hospital CEO leadership which, in turn, led to the commercialization of hospital services.

One result of the commercialization of hospital services is an internal organizational culture of fear of job loss, a sense of depersonalization of relationships between management and patient-care staff, and an atmosphere of indifference towards patients and their families. This current corporate culture in hospitals is the antithesis of the healing attitude of love, compassion, and care intended by the hospital founding fathers (Gerties & Edgeman, 1993).

Applications of Servant-Leadership: Toward a Better Understanding

Among current healthcare leaders there is a growing awareness of the need to shift focus back to the patient, to attempt to re-capture the culture of care and compassion among our hospital staffs (Dye, 2000). Some current hospital leaders are interested in exploring, or perhaps even re-inventing, the idea of a leadership concept called *servant-leadership*. This inquiry into servant-leadership in contemporary not-for-profit hospitals was based on eight identified needs.

First, perhaps following the model of participatory management literature, some hospital CEOs are beginning to explore servant-leadership as an institutional philosophy and operating model (Brumback, 1999). Their intention is to advocate a group-oriented approach to organizational analysis and decision-making as a means of strengthening hospital services and improving society. This objective is consistent with returning hospitals to their community service roots (Kovner, 1990). The servant-leader model in organizational practice is intended to invert the traditional top-down management decision-making process and thus to empower and encourage physicians, nurses and other caregivers to make patient care decisions. The philosophy

of servant-leadership seems to fit hospitals well because it holds that the primary purpose of the organization should be community service, not bottom line oriented business commercialization. This study was undertaken primarily to illuminate the practices of servant-leaders. The goal was to increase understanding of the phenomenon among those present and future practitioners of healthcare leadership who strive to be better servants of their hospital patients and better servants of their communities.

The second need for this inquiry was to broaden and strengthen the knowledge base of servant-leadership for curricula in post-secondary level healthcare administration programs in the United States. With the growing level of economic and organizational size and financial complexity of hospitals in this country, some universities are placing their graduate programs in healthcare administration in schools of business rather than in colleges of health or health related fields. Research indicates that ACHESA currently has accredited 70 health administration graduate programs in North America, of which 31, or 44% of the total, are situated in colleges of business. The curricula of health administration programs in business schools may be heavily weighted toward finance, economics and quantitative analysis and may not adequately address the

caring, service-oriented theoretical leadership base needed to best serve patients and communities. Further research on the nature of servant-leadership to facilitate the exploration of these issues is needed in the post-secondary education of healthcare leaders.

Third, servant-leadership appears to fit hospitals because it provides a theoretical and ethical basis for trustee education. Greenleaf (1970, 1977, 1991, 1996) wrote about servant-leadership as it applies to the roles of boards of directors for not-for-profit hospitals. His essays on these applications offer opportunities for research among contemporary boards of not-for-profit hospitals. Greenleaf urged trustees to ask themselves two central questions (1991, p. 15): "Whom do you serve?" and "For what purpose do you serve them?" Servant-leadership suggests that not-for-profit boards of directors need to undergo a radical shift in how they approach their roles. Those who choose to follow the pattern of servant-leadership might be able to help create not-for-profit institutions with a greater depth of compassion and commitment to quality of patient care.

The fourth reason for this inquiry into servant-leadership in hospitals concerns its potential for encouraging hospital employees to become more involved in

community leadership. Since hospitals should exist to serve communities, it is important for hospital staff to help in building community. Peck (1993) posited that an organizational culture of servanthood will result in civility in community.

The fifth reason for the study was to explore the extent to which servant-leadership tends to encourage continuing employee professional development and a culture of lifelong learning among hospital employees. The study investigated the extent to which CEOs believe that a servant-leadership model enhances and encourages hospital staff education and training, or, to the contrary, the extent to which the servant-leadership model conflicts with currently used models.

The sixth reason for this inquiry into servant-leadership was to explore its use in programs relating to personal growth and transformation, with the concepts applying to CEOs as well as to staff. Servant-leadership theoretically operates at both the institutional and personal levels, both of which are important to community service. For individuals it may offer a means to personal growth - spiritually, professionally, emotionally, and intellectually. One particular strength is that it may encourage all hospital employees to seek opportunities both

to serve and to lead others, thereby creating the potential for both learners and leaders to raise the quality of life throughout the country. This study sought empirical evidence of that idea in practice.

The seventh reason for studying servant-leadership was to contribute to the knowledge base in healthcare leadership education. Post-secondary education in health services administration must remain abreast of the broad spectrum of evolving leadership thought among contemporary healthcare CEOs.

The eighth and final reason for the study was to uncover the origins of, interest in, and commitment to, the concept of servant-leadership for each of the CEO participants. From where in the individual lives of each CEO did the servant-leadership concept spring? Are there common denominators among these CEOs that might suggest further study by future students of leadership?

This study of four contemporary healthcare CEOs and the organizations they lead illuminates the eight leadership issues enumerated above. And, in doing so, the study contributes to our understanding of servant-leadership as it may be taught and practiced in the future.

Definition of Terms

Several terms used in this inquiry require explanation and further definition:

1. *Not-for-profit hospitals* - hospitals chartered and organized to provide services to the community without motive of profit. None of the earnings of the hospital may inure to any private shareholder or individual. All annual excess of revenue over expense is returned to the hospital in order to improve or broaden services to the community. This type of hospital, sometimes referred to as a community hospital, is given tax exemption by the U.S. Government's Department of the Treasury, Internal Revenue Service, under Section 501 (c) (3) of the tax codes. This exemption is given in recognition of the hospital's charitable, religious, scientific, or educational contribution to the community. The rationale for the exemption is that the contributions made by the hospital to the community help reduce the public service burden of the government. The governing board of not-for-profit hospitals is fiduciarily responsible to the community for the protection and growth of the hospital assets.

2. *Governmental hospitals* - hospitals owned and sponsored by the federal, state or local government. This type of hospital is usually organized to serve a specific

segment of society, such as Veterans Administration hospitals, mental hospitals, prison hospitals, tuberculosis hospitals, or hospitals for American Indians.

3. *Investor owned hospitals* - hospitals, owned by corporations, which are specifically chartered and operated to earn economic profits for the stockholders. These corporations are frequently publicly traded on Wall Street. They are not exempt from taxes.

4. *Academic medical centers* - hospitals which serve primarily as centers for medical education and research, usually staffed by medical school professors and by medical interns and residents. These hospitals, also referred to as teaching hospitals, are most often owned by universities, either public or private, though some are owned by government and some are owned by for-profit corporations (Sultz & Young, 2001).

Statement of Purpose and Scope

The purpose of this study was to describe servant-leadership in American not-for-profit hospitals. A description of the personal qualities of leaders who currently exemplify servant-leadership was undertaken to increase awareness and understanding of the centrality of servant-leadership in the origins of the health professions. Further, the purpose was to contribute to the

undergraduate and graduate education of future healthcare leaders.

The study focused upon the lives and work of certain servant-leaders in community not-for-profit hospitals in the United States, specifically those chartered under Section 501(c)(3) of the U.S. Internal Revenue Service code. The investigation was limited to CEOs of four hospitals in that category.

Research Questions

The primary objective of this study was to better understand and describe the nature of the phenomena of servant-leadership in not-for-profit hospitals in America. The study was undertaken to inform current and rising healthcare leaders and healthcare educators by documenting and illuminating the servant nature of their roles and the servant heritage and tradition of their professional roots. This objective was addressed through the question: "What is servant-leadership like in American not-for-profit hospitals?"

Within the domain of servant-leadership, the following subordinate open-ended questions were asked of the CEOs and other study participants:

1. How do you practice servant-leadership? Can you give some specific examples? What do you see as the limits,

barriers or negative consequences to servant-leadership? Is it a viable organizational model?

2. What are the effects of servant-leadership on the lives of your staff? The culture of your organization? The community you serve?

3. What advice regarding servant-leadership would you give to those who teach health administration at the university level? What advice would you give to students of health administration?

Organization of the Study

Chapter One has provided an overview of the study including a discussion of servant-leadership, its significance, purpose and scope. The research questions for the inquiry were also presented.

Chapter Two presents a review of professional literature that delineates the conceptual framework of the study and provides an overview of empirical research on the topic of effective leadership.

Chapter Three includes the design of the study and provides a discussion of ethical considerations and limitations of the study.

Chapter Four presents the study findings. Chapter Five concludes the study with a summary, discussion, and recommendations.

Chapter Two

Literature Review

Introduction

The leadership of hospitals in America is undergoing a metamorphosis. The concept of hospitals had its origins in the mission of care and compassion for the sick and injured of the community. In recent decades, the leadership of American hospitals has been required to deal with a significant change in the size and scope of hospitals and their management. The hospital leadership has been required to cope with significant change in the economics and the competitiveness of the healthcare environment; yet the basic human need for care and compassion in the times of physical and spiritual distress for hospital patients has not changed. Thus American hospital leaders are searching for new ways to lead their organizations, to provide the emotional and physical care sought and needed by their patients, while simultaneously, providing their hospitals

with economic security in a competitive world. One style of leadership being considered as a pattern for a successful hospital future is called servant-leadership.

The purpose of this chapter is to review the literature that provides the foundation upon which current concepts of servant-leadership rest. After a review of the foundations, there follows an exploration of empirical research supporting effective leadership theory. Finally, the chapter concludes with a review of the literature specific to servant-leadership.

The first section of the chapter traces the lineage and briefly outlines the major concepts of transformational and charismatic leadership. Servant-leadership has been defined from multiple perspectives. However, several commonly accepted philosophies support the concepts. Servant-leadership has as its foundation the theories of transformational and charismatic leadership. Since the 1970s, transformational and charismatic leadership have received considerable treatment from scholars (Northouse, 2001). Subsequently, the concept of spirituality is explored as an emerging perspective supporting servant-leadership. Theories of spirituality contain several aspects consistent with transformational and charismatic leadership.

The chapter concludes with the concept of servant-leadership in the context of American not-for-profit hospitals as compared and contrasted with previously mentioned leadership theories. Servant-leadership has been explored in the literature increasingly since the 1980s (Spears, 1998).

Foundational Perspectives of Servant-Leadership

One of the most influential works on leadership of the past 3 decades was Burns' work on transformational leadership (Northouse, 2001). Burns' (1978) study focused on the differences between two types of leadership - transformational and transactional. Transformational leadership emphasizes processes and behaviors designed to "transform" leaders and followers and move them towards "higher levels of motivation and morality" (p. 20). Drawing from Maslow's theory of the hierarchy of human needs and Kohlberg's work on moral development, Burns wrote:

> The transforming leader looks for potential motives in followers, seeks to satisfy higher needs, and engages the full person of the follower. The result of transforming leadership is a relationship of mutual stimulation and elevation that converts followers into leaders and may convert leaders into moral agents. (p. 425)

Transactional Leadership

According to Burns, transactional leadership is simply "when one person takes the initiative in making contact with others for the purpose of an exchange of valued things" (1978, p.19). An important distinction between transactional and transformational leadership is that transactional leadership, although a common leadership form, does not foster any "enduring purpose" (p.20). This lack of continuing commitment fails to develop a sense of collective purpose between leaders and followers. Thus, the exchange between leaders and followers ends and so does the need and acceptance of leadership on behalf of the followers.

Transformational Leadership

The work of Bass (1985) expanded on Burns' theory of transformational leadership. Bass operationalized Burns' work by creating a survey instrument to measure the transformational nature of leaders through the perceptions of leaders and followers. Through this research, Bass identified four dimensions of transformational leadership; transformational leaders are charismatic, inspirational, intellectually stimulating, and considerate of individuals. Furthermore, Bass states that transformational leadership "motivates followers to raise their level of consciousness

concerning organizational goals, aids in the follower's transcending personal interest for the sake of the organization, and encourages them to address higher-level needs" (1985, p. 20).

Charismatic Leadership

One of the most significant factors in transformational leadership is charisma (Bass, 1985). Transformational and charismatic leadership are often closely associated, if not synonymous (Conger & Kanungo, 1990). Weber's conceptualization of charisma has been described as having five components:

1. A person with extraordinary gifts,
2. A crisis,
3. A radical solution to the crisis,
4. Followers who are attracted to the exceptional person because they believe him to have transcendent powers, and
5. Validation of the person's gifts and transcendence in repeated experiences of success. (Bass, 1990, p.185)

Since Weber's early work on charisma, theorists from a wide range of disciplines have examined and explored charismatic leadership advocating various theories and means of research, and charismatic leadership has become a

"prominent part" of the leadership literature (Starratt, 1993, p.12). Bass (1990) described the complexity of charismatic leadership by stating:

> The meaning of charisma does not have to remain fixed with Weber and his interpreters. Some variance in the charismatic phenomenon is due to the exceptional individual, some to the exceptional situation, and some to the interaction of the exceptional individual and the exceptional situation. (p. 184)

Given the breadth and depth of qualitative and quantitative research in this area of study, two researchers, House and Conger, are cited by other theorists as having completed the most extensive work on the subject and in so doing have moved towards creating a firmer empirical grounding for the study of charisma (Bass, 1990; Northouse, 2001; Starratt, 1993).

House's research describes the personality and behavioral aspects of charismatic leaders (1976, p.131). House's four distinct personality characteristics of charismatic leaders are dominant personality, desire to influence others, confidence, and strong values. He lists six behavioral aspects: sets a strong role model, shows competence, articulates goals, communicates high expectations, expresses confidence, and arouses motives.

Conger and Kanungo (1990) also focused on the behavioral aspects of charismatic leadership in order to establish a conceptual framework for the phenomenon. They defined leadership as "a process that involves moving organizational members from an existing present state toward some future state" (p.80). They described the three stages of this process as evaluating the existing situation, formulating and conveying goals and demonstrating how to achieve those goals. Charismatic leaders participate in these three stages, but in the following manner: (a) Stage 1, assessment of environmental resources and constraints with a specific ability to recognize deficiencies in the present system (p. 83); (b) Stage 2, formulate a vision for achieving the organization's objectives (p.84); and (c) Stage 3, achieve the vision through building trust through leading by example, risk-taking, and using unconventional expertise (p. 87). Conger and Kanungo stated that in order to achieve the vision in Stage 3, leaders "must transform their concern for followers' needs into a total dedication and commitment to the common cause they share with followers and express them in a disinterested and selfless manner" (p. 87).

According to Conger and Kanungo, vision is the catalyst for the transformational nature of charismatic leadership, and from Burns' perspective transformational leadership "subsumes charismatic leadership" (1990, p. 134). House described the research of leadership theorists Burns, Bennis, Nanus, Bass, and Sashkin by writing, "All of these perspectives describe charismatic or transformational leaders as individuals who provide for their followers a vision of the future that promises a better and more meaningful way of life" (1976, p. 101). This brings together the concepts of transformational and charismatic leadership. Previously, the perspectives complimented one another but were somewhat disconnected theoretically.

In addition to the foundational concepts of transformational, charismatic and effectiveness traits of leaders, Starratt also recognizes "certain personality prerequisites" which are necessary (1993, p. 124). Similar to Burns, these prerequisites focus on the leader's need for power. Burns (1978) measured power by the "degree of production of intended effects" (p. 22). Sashkin (1988) used the concept of socialized power, which is used to empower others in order to produce intended effects. He described power as one of the prerequisites of, though not central to, a link to charismatic leadership (pp. 126-128).

Spiritual and Ethical Orientation

Starratt's approach combined the psycho-dynamic theories of leadership, which are part of the foundation for charismatic leadership, and the spiritual and ethical orientation. The psycho-dynamic approach involves a significant examination of the self by the leader and the origins of the traits and behaviors manifested in their leadership (Starratt, 1993). The spiritual-ethical theories reflect a recent and more popular approach to understanding leadership behavior and function. Bolman and Deal (1995) suggested that

> Though everyone needs a personal road to faith, the world needs a spirituality that transcends sectarian boundaries. Living in a global village inevitably means that cultures and faiths meet and interpenetrate at a dizzying pace. Further, in the workplace we all need a language of moral discourse that permits discussions of ethical and spiritual issues, connecting them to images of leadership. (p.3)

Moxley described the spiritual orientation as providing a "connectedness to all of life" (2000, p. 23). He stated:

> If organizations are ever going to make full and good use of the energies of people, if individuals are ever

> going to give the best they have within themselves in service to others, then work and the organization must leave room for spirit. (p. 20)

Mitroff and Denton's research supports the Bolman and Deal (1995) description by citing spirituality as an important aspect of management and the necessity of spirituality for organizational survival (Mitroff & Denton, 1999, p. 91).

Starratt (1993) focused on the origins of the leader's capacity to assume leadership traits and behaviors. A central element in this regard is a sense of spirit. Starratt refers to the importance of spirituality for a leader, but he specifically addresses the importance and affect of spirituality for an organization. Elaborating on the work of Vail (1996), Starratt wrote,

> Leaders need to reassess how to promote the discovery of the spirit within the workplace, especially during a time of change, where normal relationships are continually disrupted. Their visionary leadership will be one source of spiritual renewal in their organization, and that vision must be concerned with bringing out the best in people—relating to the deepest sense of their spirit. (p. 13)

Starratt ultimately drew a parallel between the fostering of spirituality in order to enhance the leader's and follower's capacity for vision and Burns' description of transformational leaders' ability to "motivate and energize their followers to integrate their individual needs and goals into the larger view of where they might go in a united, collective action" (p. 145).

Organizational spirituality and a leader's ability to foster it is a developing aspect of leadership study (Judge, 1999; Mitroff & Denton, 1999; Strack, 2001). Marcic (1997) placed spirituality, defined as the identification of "spiritual laws," as an item of central importance in creating an effective organizational culture. Lunsted (1998), focusing on spirituality as a necessary component of effective leadership wrote:

> A fundamental concern for improving the general human spiritual condition is also necessary for that higher quality of personal effectiveness that would seem to be a part of modern high level leadership.
>
> Spirituality in this sense refers to the presence of a wider and deeper personal view, and a higher level of personality integration. This vision of what life may become may have nothing to do with organized religion, buy may simply reflect an effective philosophy of

> life. In any case, self-knowledge and understanding of one's own personality and values is an essential part of the development of a leader. (p. 3)

Kyle (1998) defined spirituality for leaders as "the intangible, higher aspirations that expand both thinking and feeling, intellect and emotion to more refined, even sublime, levels of experience," and spiritual leadership as "the capacity to generate for followers the conditions in which they together experience a feeling of connection, rapport and mutual identification with some transcendent purpose" (p. 129).

Senge (1990) included the fostering of spirituality as an important element in his concept of personal mastery. Personal mastery is his term for personal growth and learning (p. 141). Senge stated, "People with high levels of personal mastery are continually expanding their ability to create the results in life they truly seek. From their quest for continual learning comes the spirit of the learning organization" (p. 142). Senge provided numerous examples and descriptions from various business leaders on the importance of personal and organizational spirit as a catalyst for not only personal mastery, but also for the creation of a vision behind his concept of the learning organization.

One extensive work on the importance of spirituality and the development of exemplary leadership comes from Judge (1999), who stated that "spirituality is central to executive character" (p. 108). Character is the catalyst for successful leadership, and a leader's character is shaped by spirituality, personality, and personal values (p. 179). When these interrelated parts of a leader's character are functioning at the highest level, leadership is evidenced by three "creative fruits." The three are the fostering of a shared vision of the future by the people in the organization, the people in the organization operate with a common set of strategic priorities, and the leader trusts others in the organization to lead. The catalyst to character and subsequently to effective leadership is the leader's awareness of his or her "inner state of being."

The "Shadow Side" of Leadership

Palmer (1990) also suggested the importance of the leader exploring the inner self, including core beliefs, values and morals. He stated, "The link between leadership and spirituality is the examination of the self" (p. 8). The inward focus suggested by Palmer includes a serious examination of a leader's emotional weaknesses, and often these are weaknesses that people fear so powerfully that they are suppressed into the deepest part of the psyche.

Palmer and Judge have noted that the "dark side" or "shadow side" of human character can manifest itself in anger or frustration towards others as well as cause psychological trauma. Great leadership, according to Palmer, involves not only a leader's ability to face these weaknesses in a psychologically healthy manner, but to assist others with their spiritual journey as well (p. 10).

Palmer (1990) cited the following five concepts as representing the "shadow side" of a leader:

1. *Identity insecurity* – a deep insecurity about one's identity or own worth that is frequently tied to an institutional identity;
2. *Life is a battleground* – a perception that life must include some conflict which fosters a combat or battleground mentality (i.e. business language that includes terms such as big guns, tactics, winning, or trenches);
3. *Functional atheism* – belief that ultimate responsibility rests with oneself instead of with oneself *and* with others;
4. *Fear of chaos* – a desire to order the world to limit negative impacts such as dissent, change, or challenge;

5. *Denial of death* – the act of "artificially maintaining things" that have outlived their original purpose or that have never met desired objectives in the first place. (p. 18)

Palmer went further to state that being a leader means more than focusing on an outward vision for the future. A great leader must exhibit the ability of addressing one's "inner work" and addressing these five shadows of the self. Only then can a leader effectively inspire, collaborate and work with others to achieve desired values and goals.

Empirical Research Supporting Effective Leadership

Leaders who produce the intended or expected results are referred to as effective leaders. Effective leaders may exhibit characteristics of transactional, transformational or charismatic leadership, among others, at different times and in different circumstances. Kouzes and Posner (1995) and Bennis and Nanus (1997), among many others, have provided empirical research and described the traits of the effective leader.

Maccoff and Wenet (2001) studied what they refer to as the inner work of effective leaders. Based on their interviews of 65 male and female leaders, the authors described how family, mentors, and life events shape a leader's outlook and provide a foundation for future

leadership. Through their interviews of leaders from different backgrounds, the authors describe how similarities in the ways leaders create meaning from their lives affect their leadership behaviors. In these interviews, the authors asked leaders questions that focused on three issues: How do leaders absorb the impact of families? How do leaders apply lessons learned from people of influence? How do leaders integrate life-changing experiences and circumstances? Through their reflections, each leader offered his or her habits of mind. The authors then grouped their responses into the following five categories:

1. *Conviction* - trusting, valuing, and speaking from their own authority.
2. *Reflection* - examining and appraising their own behavior and impact on others.
3. *Attunement* - setting aside assumptions and learning from people at all levels.
4. *Framework* - interpreting and responding to negative events with resilience.
5. *Replenishment* - restoring perspective and renewing resources.

According to the authors, the leaders who were interviewed for their book were proficient at using lessons

from their past experiences when confronting obstacles, making difficult decisions, maintaining their convictions, and motivating and inspiring their followers. Some of these leaders are well known, such as children's television producer Fred Rogers ("Mister Rogers"), U.S. Senator Paul Wellstone of Minnesota, and former Congresswoman Patricia Schroeder of Colorado.

Building on the leadership work of Burns (1978), Bass (1985) and others, Kouzes and Posner (1995) expanded our understanding of "effective leadership" in a 3-year study interviewing 116 executives (p. 13). Effective leadership practices were identified, defined, and operationalized. These practices encompass five behaviors performed by effective leaders. The Kouzes and Posner model has been extensively applied in many organizational settings and is highly regarded in both academic and the practitioner world. The following are their five practices of the effective leader:

1. Effective leaders challenge the process: Leaders know the importance of a challenge. "Leaders know well that experimentation, innovation, and change all involve risk of failure, but they proceed anyway" (p. 10). This practice allows a leader to exercise his creative powers.

2. Effective leaders inspire a shared vision. Leaders cannot lead a group or an organization to an unknown destination. "Leaders are able to work with others and design mutual purposes and visions. They have the ability to inspire others and communicate the relationships of their work as a whole. Leadership is a dialogue, not a monologue" (p. 11).

3. Effective leaders enable others to act: Leadership is not a do-it-yourself project. "Exemplary leaders enlist the support and assistance of all those who must make the project work" (p. 12). They are proud of creating a climate of teamwork, trust, and empowerment. They know that leadership is a relationship founded on trust and confidence. "Without trust and confidence, people don't take risks. Without risks, there's no change. Without change, organizations and movements die" (p. 12).

4. Effective leaders model the way: Leaders know that behavior is caught and not taught and that one model is worth a hundred critics. Modeling is a powerful teaching and learning tool and creates the ability to emulate successful behavior. "Leaders model the way through personal example and dedicated execution" (p. 13).

5. Effective leaders encourage the heart: When frustration and disappointment develop, leaders know how

important it is for individuals to be encouraged. Encourage, which includes the word *courage* within it, means to help others through words and actions of support. Encouragement enables others to develop the courage and emotional strength to overcome their fears and take necessary actions. In order to encourage the heart of another, an effective leader must have a heart of his or her own.

Bennis and Nanus (1997) revealed that effective leadership was a complex multi-dimensional concept with over 350 definitions. They were not able to discern clearly what distinguished effective from non-effective leaders after reviewing 1000 empirical studies conducted during the previous 75 years (p. 125). After extensive interviews with 90 successful leaders, Bennis and Nanus (1997) identified the following four components which were modeled and practiced by effective leaders:

1. They created attention through vision,
2. They created meaning through communication,
3. They established trust through positioning,
4. They deployed themselves through positive self-regard. (p. 39)

Effective leaders under stressful organizational conditions must also possess "soft" skills according to a

study by the Greensboro, N.C., based Center for Creative Leadership, an international institute devoted to leadership research and training. The center collected information through interviews and surveys of 77 managers who attended an effective leadership development program and found that the more stress an organization is facing, the more important it is that effective leaders demonstrate soft skills such as listening to and empathizing with employees who are facing workplace upheaval (Bates, 2002).

There were two common traits among managers who successfully steered organizations through downsizings and other difficult transitions: (a) they were able to communicate honestly and proactively with their employees, and (b) they listened well, showed sensitivity and explained the reasons for the painful changes that were deemed necessary. Effective leaders "need to make the tough calls" when situations warrant (Bates, 2002 p. 9). "They simultaneously need to reach out and let employees know that the organization's leaders understand what they are going through" (p.10).

In a 3-year study of effective leadership, Bennis and Nanus (1997) interviewed 50 corporate leaders. The study determined that an effective leader is also one who is able to see the larger picture, the big picture, the horizon for

the future of an organization. Seeing the big picture is an integral part of being an effective leader. A truly effective leader sees beyond the issues of the day and understands that the whole is often more important than its parts (p. 231). "Foresight is the 'lead' that the leader has" (Greenleaf, 1991, p. 2). Foresight is the very essence of vision - of seeing the big picture. Without visionary, effective executives, people and organizations become reactive rather than proactive.

Since vision provides the mechanism by which organizational members are influenced, the vision of potential future leaders of an organization should be understood and not be underestimated. O'Connor, Mumford, Clifton, and Gessner (1995) researched 82 historical male leadership figures by studying scholarly biographies. They found that leaders can be divided between those whose vision resulted in behavior primarily for personal gains and those whose vision resulted in societal gain. Of those studied with a MANOVA discriminate function analysis, 44 were socialized leaders and 38 were personalized leaders. Those with personalized vision had behavior that was generally non-productive or even destructive to the organization. Those with socialized vision had behavior considered constructive to the organization.

The research suggests that ways must be found to assess the vision and goals of potential leaders and the behavioral strategies leaders may use to direct their subordinates. This is necessary to avoid the potentially detrimental impact of a leader's personalized vision upon the long-term organizational performance and well being of the organization (O'Connor et al., p. 550).

In reporting his research of 28 effective leaders of highly successful organizations over a 5-year period Collins (2001) wrote,

> Throughout our research, we were struck by the continual use of words like disciplined, rigorous, dogged, determined, consistent, focused, accountable, and responsible ... people in the good-to—great companies became somewhat extreme in the fulfillment of their responsibilities, bordering in some cases on fanaticism. (p. 83)

But the effective leader catalyzes commitment to, and vigorous pursuit of, a clear and compelling vision, stimulating higher performance standards. However, the research demonstrates that the highest level of effective leadership among these 28 executives was characterized "by the ability to build enduring greatness through a paradoxical blend of personal humility and professional

will" (Collins, 2002, p.2). This phenomena was referred to by Collins as Level 5 Leadership. It is not that these effective leaders have no ego or self-interest. Indeed, they are incredibly ambitious — but their ambition is first and foremost for the institution, not themselves.

In furtherance of the growth of their institutions, Level 5 Leaders are also committed to the growth of their individual employees. They feel compelled to encourage each person in the organization to study, to learn, to grow and to reach their full potential. This commitment is consonant with one of the core characteristics of the servant-leader (Spears, 1998).

Maccoby (2002), in his recent study of 25 contemporary effective leaders, suggested that Welch of General Electric is a study in contrast to the leader who models humility. Welch, often considered to have been one of the most outstanding business leaders of the 20th century, had leadership theories that were grouped into 4 categories. First, Welch did not like bureaucracy, thus he was noted for "bureaucracy busting" in his organization. Second, he demanded tough evaluations of all his executives. The bottom 10% in the evaluation scale each year were terminated in order to make room for new, fresh, young talent. Third, Welch believed his company should be a

learning organization. He taught his executive staff that the company grows by trying new things, discarding the ones that don't work, learning from their mistakes, and moving on. And fourth, Welch was a master at having his leadership team precisely in tune with his own values, ideas, plans, and programs, and even to his way of thinking.

A study of effective leadership would not be complete without an understanding of the potential dark side of leaders. In social cognitive theory, Bandura (1991) suggested that the moral reasoning of leaders is translated into actions through self-regulatory mechanisms through which moral agency is exercised. The self regulatory mechanism operates through self-monitoring, judgement, and self-reactive criticism. However, effective leaders can, under some circumstances, exhibit moral disengagement (Bandura, Barbaranelli, Caprara, & Pastorelli, 1996). A study of 815 participants using a sociometric instrument demonstrated that high moral disengagers are more readily angered and behave more injuriously than those who apply moral self- sanctions to detrimental conduct. Moral disengagers are also more prone to engage in thought patterns that are conducive to aggression.

Rogers and Farson (1995) hypothesized that effective leadership could result in deception and exploitation of

followers, but argued that most leaders pursued both personal and organizational interests. Conger and Kunungo (1990) also noted characteristics of the dark side of charismatic leaders: narcissism, authoritarianism, flawed vision, a need for power coupled with lack of activity inhibition and promotion among followers of dependency, personal identification, and lack of internalization of values and belief (p. 117). More research is needed to differentiate such leaders from authentic effective leaders in terms of ethical discussions of character and authenticity as well as the major themes of the modern Western ethical agenda of liberty, utility and distributive justice.

One potential side effect that tends to disrupt effective leadership is anger. Autry (1991) has theorized that anger is the most disruptive leadership behavior.

> I think anger is a luxury the good manager cannot afford to express.... If I believe in the appropriateness of emotion in the workplace and I believe in honesty, why exclude anger? Simple: Anger is too risky.... Anger is a weapon frequently leading to humiliation, and humiliation is the one thing no employee will ever forgive you for. (p.114)

In other words, Autry grants that a skillful manager cannot be oblivious to the efficacy of his actions. Anger may be genuine, it may be heartfelt, it may even be deserved - but it does not work, so it must be avoided.

In their research Bass and Steidlmeier (1999) argued that to be a truly effective transformation leader, leadership must be grounded in moral foundations. The four components of effective transformational leadership (idealized vision, inspirational motivation, intellectual stimulation, and individualized consideration) are contrasted with their counterfeits in dissembling pseudo-transformational leadership on the basis of (a) the moral character of the leaders; (b) the ethical values embedded in the leaders' vision, articulation, and program; and (c) the morality of the processes of social ethical choices and action in which the leaders and followers engage and collectively pursue. Their research was based on surveys of over 1,500 general managers, leaders of technical teams, governmental and educational administrators and further characterizes the potential dark side of leadership using terms such as "deception, sophistry, and pretense" (p.182).

Another longstanding potential downside in servant-leadership is the lack of diversity in the offices of the most senior executives in the healthcare field. Women and

minorities are not proportionately represented. This is a long standing problem in the field. Weil (2001) reported that:

- In 1983, 88% of healthcare executives were men, 12% were women. Statistics on race and ethnicity were not kept at that time.
- In 1986, 85% of healthcare executive were men, and 15% were women. Statistics on race and ethnicity were not kept.
- In 1989, 81% of healthcare executives were men, 19% were women. Statistics on race and ethnicity were not kept.
- In 1992, 74% of healthcare executives were men, 26% were women, and 5% were members of minority groups.
- In 1995, 68% of healthcare executives were men, 32% were women, and 5% were minorities.
- In 1998, 66% were men, 32% were women, and 7% were minorities.
- In 2000, 65% were men, 35% were women, and 8% were minorities.
- The population of the United States in 2000 was 51% women and 25% minorities. (p. 72)

The gender and ethnic imbalance in hospital leadership remains today a challenge for servant-leaders. In a paper given at the National Summit on the Future of Education and Practice in Health Management and Policy in Orlando, Florida in 2001, Friedman stated:

> Health care leadership remains what I term, without apology, a plantation model in which a small, largely white, male elite presides over a work force that is more than 80% female and often 30% to 50% minority. The field's executive leadership does not look like its work force, and as the proportion of women and minorities in the overall population grows, it looks less and less like its patients. And unfortunately, some of the few women who do make it to the top often succeed by emulating the worst characteristics of their male teachers and mentors — including abusive treatment of other women, especially nurses. (p. 73)

Having discussed the potential dark side of leadership, the empirical research on effective leadership concludes with a study of moral dimensions. In her doctoral dissertation on servant-leadership, Van Kuik (1998) studied four educational leaders in church related schools. She concluded that these four servant-leaders shared a moral value system that is

> Developed over time through an iterative interaction of life experiences with a belief system. Servant-leaders come to see personal gains such as money and prestige as less important than the ideal they share with others. Servant-leadership challenges us to decide what moral qualities we wish to nurture in people who may evolve into strong leaders. (p. 243)

These empirical studies of effective leadership demonstrate the recurrence of positive references such as vision, modeling, encouraging, empathy, humility, trust, and positive self-regard. There is also a potential negative side to the effective leader. Such terms as anger, fear, deception, exploitation, narcissism, and flawed vision appear to be reflective of the potential dark side of otherwise effective leaders.

This evidence of the positive and potentially negative side of leadership suggests a need for further empirical research on the dimensions of servant-leadership, how it is practiced and how it impacts the organization and community it serves.

Philosophy of Servant-Leadership

Having reviewed the empirical evidence describing effective leadership, our discussion now turns to a more specific discussion of the philosophy of servant-

leadership. If one is to examine servant-leadership, it is important to begin with a clear definition. The most prominent definition of servant-leadership emerges from an essay by Robert K. Greenleaf, entitled *The Servant as Leader* (1970). Greenleaf was born in Terre Haute, Indiana, and spent most of his organizational life in the field of management and organizational development at AT&T. After a 40-year career at AT&T, Greenleaf had a second career for 25 years as a consultant to a number of major American corporations and foundations, including the Mead Corporation, Ohio University, MIT, the Ford Foundation, the R. K. Mellon Foundation, and the Lilly Endowment. In 1964, Greenleaf founded the Center for Applied Ethics, later renamed the Robert K. Greenleaf Center in 1985, now headquartered in Indianapolis, Indiana.

Greenleaf was a lifelong student of effectiveness in organizations. His observations were distilled in a series of essays on the theme of "The Servant as Leader," with the objective of stimulating thought and action for building a better, more caring society.

A consistent and concise definition of servant-leadership is more difficult to achieve than the broad, general definition of leadership. In order to build a comprehensive definition of servant-leadership the terms

servant and servant-leader must be defined. A servant, according to Greenleaf, is one who serves the needs of others. In an organizational sense, the servant serves the needs of fellow workers individually, and therefore serves the needs of the organization, which by extension results in service to the community as a whole. Thus not only is the leader a servant, but the organization as a whole is a servant of the community. Greenleaf defined servant-leadership as

> A model of leadership that puts serving others — including employees, customers and community — as the number one priority. Servant-leadership emphasizes increased service to others, a holistic approach to work, promoting a sense of community and the sharing of power in decision making. (1991, p. 3)

Greenleaf (1970) also stated that the servant-leader is one who is a servant first. He wrote:

> It begins with the natural feeling that one wants to serve, to serve first. Then conscious choice brings one to aspire to lead. The difference manifests itself in the care taken by the servant — first to make sure that other people's highest priority needs are being served. The best test is: Do those served grow as persons; do they, while being served, become

> healthier, wiser, freer, more autonomous, more likely themselves to become servants? (p. 7)

Greenleaf offered a concept of leadership he called *primus inter pares,* or "first among equals." In this concept, Greenleaf suggests that the traditional hierarchical principle of one person in charge atop the pyramid of organizational structure be replaced by the idea of a team, or group approach to leadership, with the leader considered by the others to simply be the first among equals rather than a single chief. Greenleaf suggested that the concept of primus inter pares results in mutual respect and greater efficiency in leadership. "No person is complete; no one is to be entrusted with all. Completeness is to be found only in the complemental talents of several who relate as equals" (1991, p. 112).

Servant-leadership also may be defined as a form of leadership that "uses gifts and talents on behalf of us all in a way that models what we can be and empowers us to become" (Lore, 1997, p. 131). Covey described the concept of servant-leadership as

> A principle, a natural law, and getting our social value systems and personal habits aligned with this ennobling principle is one of the great challenges of our lives. We live in an ecosystem of nature,

> economics and people. Servant-leadership emphasizes increased service to others, a holistic ecological approach to work, promoting a sense of community, of togetherness, of connection. That is what the whole future is going to be. It's interdependency, it's connection, and the sharing of power in decision making. (1998, p. xiv)

Spears (1998), Executive Director of the Robert Greenleaf Center in Indianapolis, Indiana, and the author of over 300 articles, essays, and book reviews on servant-leadership, has identified a set of 10 characteristics which are central to the lives and work of servant-leaders and which are important to the development of future servant-leaders, condensed as follows:

1. *Listening* - Servant-leaders have developed communication and decision-making skills that depend on listening intently to others. They listen receptively and empathetically to the body, mind and spirit of others. Listening, coupled with regular periods of reflection, is important to the growth of servant-leaders.

2. *Empathy* - Servant-leaders strive to listen and understand others empathetically. They understand that their followers need to be accepted for the special people they are and recognized for unique spirits.

3. *Healing* - Servant-leaders understand that their employees, their followers, and their organization and communities are holistic: They individually and corporately have bodies, minds, and souls, and all must work together for good and in harmony to perform at their best and perform most productively. The servant-leader sees himself as one to identify and heal the hurts to body, mind, and soul whenever possible.

4. *Awareness* - Servant-leaders are also committed to watch, look and listen to the pulse of the community and its inhabitants in constant search of wholeness.

5. *Persuasion* - Rather than use one's personal power or authority in organization or community, servant-leaders typically seek to use persuasion. They will seek to convince rather than coerce. This is a distinction between the traditional authoritarian model and that of servant-leader, who most often will be successful in building consensus within groups.

6. *Conceptualization* - In order to lead the organization in its long-term service to the community, the servant-leader must also develop and refine the ability to see the far horizon. Servant-leaders must coordinate this responsibility with a similar responsibility of their board of trustees, who also should be seeing the horizon. But the

servant-leader develops the ability to select the future opportunities that will best serve the community and build board consensus around those opportunities.

7. *Foresight* - Having foresight, among other things, means that the servant-leader understands the lessons from the past, the realities of the present, and the likely consequences of a decision for the future. Foresight requires personal introspection, a sense of maturity coming from having observed human nature at work, and great intuitive nature often derived from wisdom of the servant-leader.

8. *Stewardship* - "holding something in trust for another" (Block, 1987, p. 30). Servant-leadership, like stewardship, assumes a commitment to serving the needs of others. It also assumes the use of openness and persuasion in its service to the community.

9. *Commitment to the growth of people* - Servant-leaders understand that people have an intrinsic value beyond their role as employees or workers. Servant-leaders feel compelled to encourage each person to work, to study, to learn, to grow, and to reach their full potential as humans. Servant-led organizations typically have scholarship funds and active human resource development departments at the core of their organizations.

10. *Building Community* - Servant-leaders are concerned about the loss of the sense of community which often follows corporate mergers, relocations, downsizing, and the demographic shifts to the suburbs. Servant-leaders seek to create a sense of place, a sense of community, a sense of home where families can live at peace and in wholeness; a place where the human spirit can thrive and reach its full potential.

Three Components of Servant-Leadership

These 10 characteristics of servant-leaders provide an idea of the power and promise of the concept of servant-leadership, but a true understanding requires an examination of the principles upon which the demeanor and behavior of servant-leaders are based. A thorough examination of the literature written on the topic over the past decade reveals three fundamental concepts that subsume all 10 servant-leader characteristics. These concepts are: service, stewardship, and spirit. Each will be discussed separately.

Service

Greenleaf (1991) portrayed the servant-leader as one who first has the natural feeling that one wants to serve. Covey (1989) maintains that the idea of service is deep in

our Judeo-Christian heritage and appears in the Bible more than 1300 times.

In the case of CEOs of not-for-profit hospitals, it may be that the motive of service to others is evident; by serving the hospital staff, its physicians and nurses, by creating a supportive work environment, by providing the staff with the appropriate medical equipment and supplies, by assuring a clean and efficient hospital workplace, the staff is able, in turn, to serve the poor, the sick and the injured of the community. Tichy and Devanna encouraged the service attitude in leaders by suggesting that they move from the traditional direct, control and supervise approach to working with their organizational associates in the roles of cheerleader, encourager, listener, and facilitator (1986, p. 127).

Neal (2000) suggests that the motive for service in some instances may be termed a " vocation," a word having its roots in the Latin word *voca*, which in English can be translated as *voice*, or *calling*. Thus the service motive for some may indeed be a calling to a vocation of service. Neal feels that a service oriented vocation can come from inspiration, a term *meaning to breathe life into, to bring hope*, thus resulting in a call to service by bringing hope to others (p.68).

The concept of service in the contemporary American not-for-profit hospital, however, has foundations which are described differently in the religious writings of each of the three great monotheistic religions: Islam, Judaism, and Christianity.

In Christianity, Jesus modeled the role of the servant. In the New Testament verses of John 13:13-17, Jesus said, "You call me Teacher and Lord, and rightly so, for that is what I am. Now that I have washed your feet, you also should wash one another's feet. I have set the example that you should do as I have done unto you." Further, in Mark 9:35, Jesus said to his followers, "He who would be chief among you must first be your servant." Perhaps that would be especially true for those who have positions of leadership responsibility in healthcare.

Islam in the United States has produced few hospitals, perhaps because of the disproportionately small number of Muslims in this country in its formative years. The religion of Islam, however, does pay great respect to the value of human life in medical services (Gatrad & Sheik, 2001). The first of the five guiding principles of Islamic law refers to the sanctity of human life, its inherent value and goodness. But while medicine and healthcare in Arabic history and tradition have prominence, it is not

clear that the religion of Islam has extended any particular rationale for a servant motive in the delivery of healthcare services. Even those in leadership of the Islamic spiritual community disagree about what their position on the ethics of health should be (Conrad, 1999).

In the tradition of Judaism, the practice of medicine and the delivery of healthcare services are based on Talmudic law. Sickness and death were interpreted as God's punishment for disobedience to his will (Allen, 2001). Healing was conferred on those who were contrite about their trespasses. In that context it is recorded in Exodus 15:26 that "I am the Lord your healer." Health in the broadest sense was expressed by the term *shalom*, whose root denotes *completion*, *fulfillment*, or *wholeness* and a restored relationship with God (Allen, 2001). Sickness was regarded as a condition of being "cut off" from God, ritually unclean. Thus, while health and medicine were highly regarded in Jewish tradition, there seems to be less emphasis on service and the servant nature and more of an emphasis on the responsibility of abiding by God's laws.

Stewardship

The second primary component of servant-leadership is stewardship, which is described as responsible, innovative use of human and material resources. Block defines

stewardship as "holding something in trust for another" (1996, p. 30). Greenleaf's view is one in which organizational leadership holds the institution in trust for the greater good of society. Stewardship assumes first and foremost a commitment to serving others in a spirit of openness and persuasion rather than control.

Some hospital CEOs now see stewardship of their own time and knowledge as important; to use it wisely to nurture and develop their employees as they serve their communities (McCoy, 2001). Lowe (1998) points out that many companies are including stewardship in their corporate mission statement, encouraging all employees to hold in trust their companies and their assets and to use them wisely in service to others. Stewardship requires being willing to hold power without using reward and punishment and directive authority to get things done. It requires persuading others in the organization to share responsibility for making changes and improvement and to be accountable for results (Price, 2001).

Fairholm (1997) says that steward leaders operate on two levels. First is a stewardship for the people they lead. Second is a stewardship for the larger purposes of mission that underlies the larger enterprise. They demonstrate critical skills in building a shared vision,

surfacing and challenging mental models, and systems thinking. Steward leaders build corporate vision from their own personal vision.

The idea of a stewardship orientation to corporate governance is new (Fairholm, 1997). Many members of governing boards have not considered their responsibility for stewardship, even though the title "Trustee" implies that their duty and responsibility is to hold the assets of their institution in trust for the benefit of their community (p. 198). Secretan (1999) says that some organizations committed to the precept of stewardship are even following the biblical admonition to give a tithe, or 10% of their corporate earnings, back to the community (p. 89).

Stewardship is founded on several principles, including the principles of service, independence, initiative, counsel and consent, and the principle of accountability, all rolled into one (Secretan, 1999). But stewardship as an underlying principle of servant-leadership may be best demonstrated in Matthew 5:27 by Jesus, who said "Then the one who had received the five talents came forward, bringing five more talents, saying, 'Master, you handed over to me five talents; see I have made five more talents.' The master said, 'Well done, good

and trustworthy servant; you have been trustworthy in a few things; I will put you in charge of many things; enter into the joy of the master."

Spirit

The third foundation upon which servant-leadership rests is the spirit. The human spirit is defined by the Merriam-Webster's College Dictionary (10th Ed.) as "the vital principle, the animating force traditionally believed to be within the essential nature of every human being" (Costello, 2000, p. 1290). The spirit is often associated with terms such as *intrinsic motivation* and *religious spirituality*. The human spirit adds wisdom to intelligence, and for some, the human spirit is the purpose of their existence, their intangible consciousness (White, 2001).

Beasley (1997) identifies three characteristics of spirituality: honesty, service to others, and humility (p. 64). He defines honesty as "the quality or condition of truthfulness with self and others, fairness in dealing, and the absence of fraud or deceit and dissembling, i.e. concealing behind a false pretense or appearance" (p. 85). He defines service to others as "an act of assistance or benefit to others" (p.90). He defines humility as "modesty in behavior, attitude and spirit marked by a willingness to

learn, to be wrong, and to put others' agendas ahead of one's own" (p. 88).

Spirituality also can be defined as an individual feeling of interconnectedness with everything and everyone around us, and with a supreme power, or being or force that controls the universe (Mitroff & Denton, 1999). Spirituality is inextricably connected with caring, hope, kindness, love, and optimism. These attributes of the human spirit form a basic and powerful foundation for the life and work of the servant-leader.

Although a spiritual ethos is largely foreign to many American organizations, people have always valued selfless service (Graber, Johnson, & Hornberger, 2001). The word spirituality implies an inner search for meaning or fulfillment that may be under-taken by anyone, and may be especially appropriate in the healthcare work place, a setting where the deepest physical, emotional and spiritual needs of humanity are served. As leaders and followers in the healthcare setting, we are spiritual beings having a human experience in our service to others, and, especially in the healthcare setting, an orientation of service is equated with spirituality (Neal, 2000).

The servant-leader's path becomes a spiritual awakening as he or she looks more and more deeply into the

nature of life and health and acts from an ever higher level of consciousness (Gunn, 2001). The energy that flows from the spiritual understanding of life is what gives leaders courage, decisiveness, inventiveness, calmness, confidence, curiosity, perceptivity, receptivity and loyalty.

Spirituality, like leadership, is difficult to teach to servant-leaders because neither lends itself to intellectual or conceptual understanding. We "know" our spirituality in the same way that we "see" our leadership. But spirituality is essential to effective leadership in that it is the framework for trust, creativity, commitment, ethical behavior and productivity (Miller, 2001). Spirituality tends to ground us in a greater good beyond the self, helps us value other people and creates in us more depth and sensitivity (McCoy, 2001).

Conclusion of Literature Review

The review of the literature has traced the theoretical leadership lineage of servant-leadership from the transformational and transactional work of Burns (1978) to the charismatic leadership work of Bass (1985) to the spirituality work of Mitroff and Denton (1999) and Bolman and Deal (1995). The review has also examined the empirical evidence that supports these theories and the conclusion

that leaders in all manner of successful organizations exhibit these theorized characteristics. The evidence provides some indication that the characteristics of servant-leadership provide a balance and perhaps an antidote that counteracts the potential negative aspects of charisma and power.

The review has also examined the literature describing the definition and characteristics of servant-leadership as first described by Greenleaf (1970). Because the concepts of service, stewardship and spirit are embedded in the concept of servant-leadership, the literature of those concepts was also explored. The evidence suggests that servant-leadership provides a moral compass which steers the effective leader away from the potentially negative aspects of charisma and power and toward a higher vision of organizational excellence (Kouzes & Posner, 1995).

The literature supports the need for an exploration of the major question of this inquiry: "What does servant-leadership look like in American not-for-profit hospitals?"

Chapter Three

Methodology

Introduction

The purpose of this research was to describe and analyze the dimensions of servant-leadership in American not-for-profit hospitals. There was one major question of the study: "What is servant-leadership like in American not-for-profit hospitals?" Three subordinate questions were explored through interviews with the study participants, to inform the overarching major research question. Those three questions were as follows:

1. How do you practice servant-leadership? Can you give some specific examples? What do you see as the limits or barriers or negative consequences of servant-leadership? Is it a viable organizational model?

2. What are the effects of servant-leadership on the lives of your staff? The culture of your organization? The community you serve?

3. What advice regarding servant-leadership would you give to those who teach health administration at the university level? What advice would you give to students of health administration?

A series of interviews with the four CEOs and their colleagues elicited responses to these and other questions.

Design

These research questions were investigated through a multi-site case study design that consisted initially of interviews with four CEOs of not-for-profit hospitals in America. Additional interviews at each hospital were conducted with those closely associated with the CEO. These included a member of the governing board of each hospital, a member of the communities served by the hospital, and members of the hospital patient care staff. Lincoln and Guba caution that "the design of a naturalistic study cannot be given in advance; it must emerge, develop, unfold" (1985, p. 225). Thus the design was modified where it seemed reasonable to do so, and Chapter Four reports in detail "what was done, why it was done, and the implications of the findings" (Patton, 1990, p. 62).

Qualitative research was necessary to further refine and describe the attributes of servant-leadership in action and its effect on organizational effectiveness. This

qualitative study investigated servant-leadership as an instrument for organizational growth and enhancement.

The case study methodology was employed. Because the study involved four sites, this was a multi-site case study. The intent of the case study was to "take the reader into the case situation, a person's life, a group's life, or a program's life" (Merriam, 1998, p.238). Donmoyer (1990) offers three advantages of the case study method. First, accessibility: "Case studies can take us to places where most of us would not have the opportunity to go" (p. 193). Second is the advantage of seeing through the researcher's eyes. And third is the advantage of decreased defensiveness. "Vicarious experience is less likely to produce defensiveness and resistance to learning" (P. 196). The case study method lends itself to rich, thick description and transports the reader to the event (Merriam, 1998).

Access and Sample Selection

In 2001, a panel of three judges from the faculty of an organization called the Knights of the Healthcare Roundtable was asked to nominate for this study a list of not-for-profit hospital CEOs who are considered exemplars of servant-leadership. Other criteria for inclusion on the list were:

1. Age – 50 years of age or older,
2. Experience – served in senior level leadership at least 20 years,
3. Tenure – served in the same organization for at least 10 years.

From a list of 20 potential participants who met the criteria, initially 6 were chosen for preliminary investigation, based on the probability of their willingness to participate in the study, their time availability, and the geographic dispersion of their service areas. Neither race nor gender was of consideration.

Pilot Study

In early November, 2001, permission to conduct a pilot study in servant-leadership was granted by the University of North Florida. Approval from the Institutional Review Board for the Protection of Human Subjects is included as Appendix A.

Consent letters were signed by each of the participants in the pilot study to assure their rights and privileges as study participants. An example of such is given in Appendix B.

The six participating CEOs were each interviewed in person for approximately 2 hours, in late November, 2001.

The interviews were tape recorded, transcribed, and analyzed in the Miles and Huberman coding technique (1994).

The interviews confirmed expectations that each of the six CEOs did demonstrate various attributes of servant-leadership. Each pilot study interviewee indicated a willingness to participate in the planned doctoral dissertation. They were also very pleased that their colleagues and their organizations were to be studied and their work recorded for posterity. Each of the CEOs was willing to discuss their ideas and experiences, and were openly enthusiastic about sharing what they believe to be an effective organizational leadership model.

The pilot study suggested to the researcher that a sample size of four would be sufficient for the full study, thus only four were chosen for the full study. The data that emerged from the pilot study gave evidence of the considerable depth of servant-leadership knowledge, experience, and wisdom among the CEO participants that invited further inquiry. Each of the four had different views, came from different backgrounds, and each leads differing size organizations in different parts of the country.

Sites

There were four sites for this study. The sites chosen were in four cities in the United States, ranging in population size from 350,000 to 2,500,000. The sites are all not-for-profit hospitals ranging in bed size from 500 beds to 2,000 beds. An attempt was made to assure a dispersion of city size and hospital size. The locations are in Arkansas, Oklahoma, and two in Texas.

Interviews

This study was conducted using in-depth interviewing technique. Seidman (1998) suggests that each major participant be interviewed three times. The interviews were conducted using open-ended questions. The first interview, done for the pilot study, focused on the person's life history, particularly the participant's family and educational background, listening for clues concerning the origin of their desire to serve others. The second interview focused on the "concrete details of the participant's experience as a not-for-profit hospital CEO upon which their opinions of servant-leadership were built" (Seidman, 1998). In the third interview the participants were asked to reflect on the meaning of their experiences. All interviews, including follow up telephone interviews, were tape recorded with the participants' full knowledge

and permission and the tapes were preserved for future reference.

The above mentioned second interview for the dissertation was completed on site with the CEO during a visit of approximately 2 days in length. While on site, interviews were scheduled with members of the governing board, employees, medical staff and community members, with each interview lasting an hour or less. The interviews with employees, medical staff and others were done individually to include different perspectives on the primary and secondary research questions and data corroboration.

Trustworthiness

In order to increase the trustworthiness of the study, the selected participants, while professional acquaintances, are not personal friends of the researcher. None of those chosen for interviews had personal knowledge of the researcher, thus minimizing the potential threat to validity that might arise from personal bias toward participants or the researcher (Locke, Spirduso, & Silverman, 2000).

While the CEO at each site was the primary source of data, the trustworthiness of the data was corroborated and enhanced through triangulation. In addition to the CEO, others interviewed at each site were: a member of the board

of directors; a member of the care giving staff, either a physician, a nursing executive, or other caregiver; and an external member of the community who is familiar with the hospital (Appendix C). Thus the CEO data was corroborated from at least three other sources at each site.

In addition to the interviews, the trustworthiness of the data was further enhanced through the examination of the organizational artifacts such as vision statements, strategic plans, patient satisfaction surveys, news releases, in-house employee publications, financial statements and audits, minutes from medical staff and board meetings, in addition to the perceptions of the researcher.

Ethical Considerations

Due to the nature of the research questions there was minimal threat to the well-being of the participants in the study, each of whom was pleased to be identified. Patton (1990) suggested that a stance of "empathetic neutrality" should minimize the threat of "interviewing as exploitation — a process that turns others into subjects so that their words can be appropriated for the benefit of the researcher" (p. 58). There were no ethical issues regarding exploitation in this study.

Data Analysis

The codification of data from interview transcripts, field notes and artifacts was completed using coding schemata described in the Miles and Huberman technique (1994). This study sought patterns of data. Once data were organized and displayed in emerging patterns, the researcher returned to an analysis of interviews from individual participants, as separate cases, and only then considered the wider matter of cross-case analysis and cross-site analysis. This sequence of analytic steps conformed broadly to the suggestions of Glaser and Strauss (1967).

As a last step, the data analysis was prepared describing each of the participants, illustrating common themes as well as atypical responses. Data reduction was accomplished using the two levels of coding suggested by Miles and Huberman (1994). Codes are "astringent" in that they pull together material and signal potential themes in the data. At the first level the codes represent broad, general patterns. They make no attempt at interpretation. Once the working set of codes were developed at the first level, a second level of codes, more specific than the first, were developed through which the data interpretation began to emerge.

Once the analysis of each case was completed, cross-case analysis began. Through this qualitative, inductive, multi-site case data, the researcher constructed abstractions across cases. At that point as described by Merriman (1998), general explanations which fit each of the cases emerged, even though the cases varied in their details.

Limitations

As with other exploratory research, the findings of this study are tentative. Locke et al. (2000) point out that (a) the sample size and procedures for participant selection, while appropriate for a qualitative study, will not support generalization to the larger population of healthcare executives in America; and (b) the relationship between CEO perception of servant-leadership and empirical measures of servant-leadership has yet to be defined. The exploration of those empirical measures is beyond the scope of this study (p. 262).

Conclusion

Healthcare in the United States is a service important to the overall health and productivity of our citizens. Healthcare has also become a very large and burdensome factor in the economy of our country.

In the service of healthcare, the hospitals are a very large component, consuming over $400 billion a year. The hospitals provide to the population of America a service that has its roots in compassion and caring and servanthood. At this moment in the history of healthcare delivery, the hospitals need the very best leadership possible; leadership educated in the best possible graduate programs that universities can provide. This inquiry explored the nature of servant-leadership, a form of leadership that seemed to be practiced by our four CEO participants in four different cities.

The findings of the investigation are presented in Chapter Four.

Chapter Four

Profiles in Servant-Leadership

Introduction

The study now turns its attention to the major question of the study: "What is servant-leadership like in American not-for-profit hospitals?" CEOs of four not-for-profit hospitals who are regarded as exemplars of servant-leadership were chosen as the focus for this study. A total of 16 other associates of the CEOs such as physicians, nurses, board members, as well as independent community observers of the four hospitals were also interviewed for the study. Artifacts and observations were also included which afford a broad and balanced perspective of what servant-leadership is like in each site of the study.

The four CEOs and their 16 associates who participated in the study were all asked the following questions:

1. How do you practice servant-leadership? Can you give some specific examples? Can you describe some of the

barriers or possible negative consequences of servant-leadership?

2. What are the effects of servant-leadership on the lives of your staff? The culture of your organization? The community you serve?

3. What advice regarding servant-leadership would you give to those who teach health administration at the university level? What advice would you offer to the students of health administration?

This section of the study describes, case by case, the leadership attributes and characteristics of each CEO and describe the hospital or health system as well as the community served by each CEO. Comments and descriptions of several associates and community members are included, adding their thoughts and observations regarding hospital leadership. A description of outcomes and impacts of hospital leadership in each community is also presented.

The four CEOs chosen for this study are well versed in the field of leadership. The four have a cumulative 127 years of leadership experience after the completion of the Master's Degree in Health Administration, an average of 32 years each. They have been in their current Chief Executive roles a cumulative 76 years, an average of 19 years each. The four organizations they serve have long and

distinguished records of service to their communities. Three of them have grown to be the largest not-for-profit health systems in their respective states. The fourth is the health system caring for the largest Hispanic population of Texas. They are all solidly successful economically and have the highest public opinion ratings of any hospital in their service area.

Case One

Memorial Hermann Health System

The Memorial Hermann Health System is the largest not-for-profit health system in the state of Texas. Mr. Dan Wilford, Fellow of the American College of Healthcare Executives (FACHE), has been CEO of Memorial Hermann for 18 years. Memorial Hermann is located in Houston, Texas, a metropolitan area of more than 2.5 million people, the fourth largest city in the United States behind only New York, Los Angeles and Chicago.

Memorial Hermann was founded in 1905 as a not-for-profit community hospital in downtown Houston. Over the first 50 years of its existence, the hospital flourished and grew to over 500 beds, its buildings covering four square city blocks of downtown.

In 1960, as the city grew, the downtown campus was sold to an oil company for a considerable sum of money.

That money was re-invested in the purchase of over 100 acres of land in the fast growing suburbs of Houston and a modern new 500 bed hospital was constructed. Over the next several decades the hospital continued to grow into a healthcare system of hospitals, health facilities, and services. Today, that system, Memorial Hermann Health System, is the largest not-for-profit healthcare organization in Texas. With more than 2,500 acute care beds in operation, the system is comprised of nine acute care hospitals; two long-term care hospitals; two nursing homes; a retirement community which includes independent living, assisted living and wellness facilities; a rehabilitation hospital; home healthcare services; and an extensive physician network. One of its nine acute care hospitals, Hermann Hospital, serves as the primary teaching and research hospital for the University of Texas Medical School in Houston.

Memorial Hermann has over 14,000 employees, a medical staff of over 3,000 physicians, and had an operating revenue budget in excess of $2 billion in 2001.
In the year 2001, Memorial Hermann provided nearly 600,000 days of inpatient hospital care, saw 328,000 patients in its emergency departments and treated over 420,000 patients in its outpatient facilities. The Memorial Hermann Health

System is guided by a clearly defined mission and purpose statement:

> Memorial Hermann is a not-for-profit, community owned health system with spiritual values, dedicated to providing high quality health services intended to improve the health of the people of southeast Texas.

Memorial Hermann states the following as its guiding values:

- We are committed to assessing and meeting the health care needs of the individuals in our diverse communities.
- We are stewards of community resources and are committed to being medically, socially, financially, legally, and environmentally responsible.
- We are devoted to providing superior quality and cost-efficient, innovative and compassionate care.
- We collaborate with our patients, families, physicians, employees, volunteers, vendors and communities to achieve our Purpose.
- We support teaching programs that develop the healthcare professionals of tomorrow.

- We provide holistic healthcare which addresses with dignity the physical, social, psychological and spiritual needs of individuals.
- We have high ethical standards and expect integrity, fairness and respect in all our relationships.

Dan Wilford, Memorial Hermann CEO

Background. Dan was born in Kentucky in 1940. He had one sister and a twin bother who also became a successful hospital CEO in another state. Their father was a career Methodist minister who pastored many churches in Arkansas during Dan's formative years. Dan's mother was a school teacher who insisted on high academic achievement from her children. Dan recalls that his father was his hero, a man of towering moral strength and passion in his ministry, but also a man who loved to take his boys hunting and fishing and to show them nature in the woods and streams of the back country. Dan says that his father was a "man's man," one greatly loved, admired and respected by other men of the community, a mentor and role model for many, including Dan and his brother.

Dan and his brother were good students in high school and also good athletes. They were both recruited by the University of Mississippi football team and each

distinguished himself there in varsity athletics for 4 years.

When Dan graduated from college at Ole Miss, the Vietnam War was in full force. Dan volunteered for the U.S. Army, was commissioned as a 2nd Lieutenant and trained as an administrative officer in the Army's Medical Service Corps. Two years of service in Army hospitals gave him the feeling that perhaps healthcare administration was a career that met his own inner need to be of service to mankind. Serving the needs of others whose lives had been interrupted by illness or injury seemed to somehow fit the values Dan had observed and absorbed from his parents, particularly from his father's ministry, values of caring and compassion, love and empathy. Dan's twin brother had the same experience and the same feeling about healthcare, thus when discharged from the Army both brothers entered the Master's of Health Administration program at Washington University in St. Louis, Missouri, earning their master's degrees in 1965 after 2 years of study.

After a succession of progressively more important leadership roles in healthcare over the next 14 years in hospitals in Oklahoma, Mississippi and Texas, Dan was appointed CEO of the Memorial Hermann Health System at the age of 42.

Practice as a servant-leader. One of the first manifestations of Dan's persona as a servant-leader is perceived upon walking into his office. Despite being the CEO of the largest health system in Texas, and one of the largest corporations of any kind in Houston (a city and state renowned for their largeness), Dan has for 18 years occupied a small, unpretentious office of approximately 15' x 25'. His office is located in the executive office suite in one of the physician office buildings on the main campus of Memorial Hermann. Dan's office is centrally located in the suite, surrounded by the offices of his senior staff, thus encouraging frequent conversation and a group-oriented approach to decision making. Others in the suite include Memorial Hermann's Chief Financial Officer, Chief Legal Officer, Chief Nursing Officer and Chief Medical Officer. Dan's office is also located 30 feet from the boardroom where the Memorial Hermann Health System Board of Directors meets in their monthly sessions. In the suite, there is also a dining room that seats 10 where Dan conducts staff and board committee meetings over 7 a.m. breakfast several days a week, as well as many luncheon and dinner meetings each week.

Dan's desk is orderly, not cluttered, his credenza arranged with photographs of his family, family outings in

the mountains and at the beach. There is a small conference table with a comfortable seating area where personal interviews and small group conversations are frequently held. The office is quiet, tastefully decorated, and offers an inviting and respectful atmosphere to the visitor from outside the organization.

In the quiet atmosphere of his office, Dan Wilford speaks easily and openly about the organization he serves and about the community served by his organization. Dan's manner is humble and quietly respectful of his visitor and there is a sense of the joy and fulfillment in his life when in his presence. His optimism and excitement are in his voice.

I had the privilege of having breakfast with Dan and two of his colleagues in the executive dining room next to Dan's office. The room was comfortable, easily lending itself to conversation. I asked Dan to talk about his personal value system. After reflecting for a few moments, he answered thoughtfully:

> There are six or eight principles which make up my value system but the value of trust is central. I think that trust matters in life and especially in healthcare organizations for several reasons.

First, trust matters because healthcare leaders have exhausted the benefits of existing management theories about how we should treat each other in the hospital setting. Since the beginning of the industrial revolution, healthcare professionals have tended to adopt management and leadership approaches from business and industry. Because we adopted industrial management techniques, we tended to move away from focusing on our employees and medical staffs as people and we became infatuated with scientific management, impersonal decision making, and hierarchical controls. We tended also, therefore, to base our leadership styles in healthcare on impersonal, hard scientific data. In the process, we tended to overlook the basic human fundamentals as compassion, commitment, and forgiveness in our interpersonal relationships, some of the principles upon which long-lasting, successful and trusting relationships are built. In the absence of trusting relationships over the years in healthcare organizations, the results have often been cynical physicians, frustrated employees, and poor organizational results. Thus trust in relationships must be earned and sustained over time for the

organization to succeed in its mission of serving the community.

Second, I think that trust matters because efficient organizational charts on their own won't enable us to accomplish what we need to do in caring for the sick and injured in our communities. In my leadership career I have experimented with most of the "pop" management theories which came along over the past 20 years, such at Peters and Waterman's "customer-driven organization," Drucker's "orchestra," Handy's "clover," and Hammer's "reengineered corporation." But I think that in healthcare, these theories have led us to a focus on the development of holding companies, mergers and acquisitions, shared service arrangements with other hospital systems, and an assortment of other corporate structures.

I believe that such intense focus by leaders on the structure of organization detracts leadership focus from the human side of hospitals, the employees and physicians whose focus is on care giving. I believe healthcare leaders should give care first to employees and physicians who serve in the hospitals, and, in turn therefore, improving care for the patients the hospital intends to serve. It is through

giving care to the employees and physicians that trusting relationships are built.

I think the act of caring first for our organization's employees and physicians is like the pre-flight public announcement made by airline flight attendants that in the event of loss of cabin pressure aboard the plane, passengers should first put the oxygen mask on themselves to assure their own functionality, and only then to put the oxygen mask on their children. In the same way leaders should care first for the well-being of the employees so that they are best functional in caring for our patients. This kind of care giving by leaders encourages an atmosphere of trust in the organization.

And third, I think that trust matters especially in hospitals because it affects how we manage people. I remind our executive staff at Memorial Hermann that during the industrial period, managers achieved their goals by commandeering the physical capabilities of their employees. But today, leaders at Memorial Hermann must engage the hearts and minds of their fellow workers. Concepts such as mission, vision, and values are important because they represent leadership efforts to focus on people, principles and meaning

> rather than the mechanics of what we do in hospitals. I remind our staff of the times in the 1980s when healthcare leaders mimicked executives in other fields and talked about having their organizations "lean and mean." I think that in healthcare organizations that kind of language does not lend itself to trusting relationships. I prefer to use terms such "caring and effective." Our values reflect "love and compassion" for employees and physicians of Memorial Hermann, and I believe those values are important to building trust in the organization.

Another of the core values that Dan models and look for in others is integrity. He defines integrity as "a state of being whole, or complete as a human being, focused and centered to the very core on an uncompromising adherence to moral and ethical principles." Dan stated that life is committed to that principle of integrity. He demands it of himself and of those he chooses for executive positions in his organization. That value, then, is lived out on a daily basis at Memorial Hermann Health System.

Dr. Steve Byrum, one of Dan's associates at Memorial Hermann, told me that as a tribute to Dan's uncompromising commitment to integrity he was selected to be the 2001 recipient of the Greater Houston B'nai B'rith Award for

Leadership Excellence, one of the highest awards given each year in Houston. The award dinner was a black tie event with over 1,000 dinner guests, all present to recognize Dan.

Another characteristic of Dan's value system as a servant-leader mentioned by others (but not spoken of by Dan) is humility. For all his many lifetime accomplishments in building service oriented healthcare organizations, Dan is the last person to take credit for the achievements. He chuckles when paraphrasing President Harry Truman's old adage that "you can get an awful lot done if you don't care who gets the credit." Dan is a truly humble person who celebrates the accomplishments of his fellow workers and the organization he serves, but never speaks of his own achievements. This endearing personal attribute is reflected in his leadership team, the executive staff he chose and appointed. They all seem to admire and respect Dan and speak often of his achievements and of those of the whole organization, but rarely speak of their own achievements. For example, Dan would not volunteer the information that of more than 4,000 hospital CEOs in the United States, he was chosen as the 1997 national winner of the American College of Healthcare Executives Gold Medal

for Lifetime Achievement Award, the most prestigious professional healthcare leadership honor the country.

Dr. Steve Byrum, a close associate of Dan's at Memorial Hermann, said that

> Dan Wilford is a deeply spiritual leader. His spiritual nature can be described as a feeling of interconnectedness with the universe around him, with a supreme power or being or force that controls the universe. Dan's spirituality seems to be interconnected with the attitudes of caring, hope, kindness, love, and optimism. Those attitudes lay the foundation for Dan's leadership.

Over the years, Dan's spirituality has matured, as has his sense of himself as a servant-leader. He has developed a system for fostering those same attitudes of love, caring, kindness and joy in his fellow leaders at Memorial Hermann. In order to encourage the spiritual aspects of leadership, Dan organized the Spiritual Leadership Institute at Memorial Hermann Health System in 1998 (see Appendix D). The institute is a formal classroom program conducted in the Health System Continuing Education Center for the 2,000 members of the leadership team.

The Spiritual Leadership Institute is divided into three, 3-day sessions over the course of a year. The

meetings are conducted in a classroom setting using a presentation/discussion format. Each session is led by nationally know speakers and lecturers from across the United States. Participants are given materials to study between sessions and are encouraged to prepare well for each class. They are also sent a quarterly journal of the institute and are invited to attend sessions in the institute's online chat room. Alumni sessions are also conducted to reinforce and reaffirm the spiritual values taught by the institute.

The first session of the program deals primarily with conceptual issues exploring spirituality. The second session focuses on concrete workplace applications of spirituality. The final session teaches the application of spirituality to the leaders' personal lives and encourages group discussion of what participants felt and learned about themselves during the three sessions.

Leadership groups of approximately 50 people participate in each cohort, staying together for the entire three-session program over the course of the year. About 250 leaders participated, assigned to separate cohorts of 50 each, in 1999-2000, the 1st year of the program. About 500 leaders participated in the 2000-2001 sessions, and about 750 leaders are attending the 2001-2002 sessions.

I had the privilege of accompanying Dan to an opening session for one of the Spiritual Leadership cohorts. I noticed posted on the wall behind the podium the following simple words: "'And what is as important as knowledge?' asked the mind. 'Seeing and caring with the heart,' answered the soul."

In a very warm, relaxed and sincere manner, Dan welcomed his fellow leaders at Memorial Hermann Health System to the institute, not as "hearers of the word" or sponges to soak up data, but as fellow travelers on a journey toward higher articulation and clarification of reason and purpose in life. He invited his fellow leaders to join him on life's journey toward becoming more sensitive, caring, loving and compassionate servants of the organization and its employees, and thus better servants of the community. He told the audience that in this 3-day session the group would journey beyond "intelligence" and "the mind," and hope to see the horizon of "caring," "seeing with the heart," and, for want of a better word, "the soul."

The Memorial Hermann Spiritual Leadership Institute is now nearing the completion of its first 3 years of activity. About 1,500 of the system's 2,000 leaders have now attended the sessions and continue to attend the alumni

sessions and daily chat rooms and to receive the quarterly journal. The remaining 500 leaders will attend the 2002-2003 institute. It is Dan's hope that the entire leadership team of Memorial Hermann Health System will share a commitment to lifelong learning in matters relating to the spirit and that they will grow together as a "leadership family" in caring for each other and for the patients they serve.

Another manifestation of Dan's values of caring and compassion for his fellow workers is his establishment of the Partners in Caring program at Memorial Hermann Health System. The Partners in Caring program was begun in 1988 when Dan was relatively new at Memorial Hermann and he had experienced an attitude of mistrust, cynicism and fear among employees. Those feelings, he observed, grew out of an economic downturn in the Houston economy which had led Memorial Hermann, and other Houston organizations, to downsize, or to "lay off" employees. The Memorial System had never experienced such a trauma, Dan was relatively new as CEO, and the employees did not yet know or trust him as a leader.

Dan held a series of meetings with the employees, and after several weeks had an intuition that it was time to stop talking and to start the healing process. He shared

with the employees his vision of a new project - Partners in Caring, an organization in Memorial Hermann that would, to quote a Memorial Hermann moto, "Create a Unique Environment Where All Who Entered Our Doors Feel They Are Some Place Special." Dan selected a group of 10 employee leaders and took them to a 3-day seminar at Disney World to study how the Disney "family of employees" worked together in a caring atmosphere resulting in joy and harmony among employees and a high quality of service for their customers. What Dan and his group brought back to Memorial Hermann from that experience was a renewed commitment to the Golden Rule: "to treat everyone with the same dignity and respect we desire for ourselves." Further they brought back the Disney *Four Keys to Success:* safety, courtesy, cleanliness, and efficiency.

Dan appointed a steering committee of employees, chaired by Bev Conway, a human resource administrator at Memorial Hermann, to lead Partners in Caring and gave them a budget of $25,000 the 1st year to set up a program that could begin to foster an attitude of caring for one another within the organization. The steering committee followed Disney's example of annual employee recognition ceremonies to recognize employees after 1 year of service and for each 5 years of service thereafter. They had Care Bear stickers

designed for employees of 5 years or more to place on their name badges.

Another other significant modification made by Dan's Partner's In Caring Steering Committee was to incorporate employee behavioral expectations into the hiring process. A series of simple, basic value expectations were adopted by the committee, approved by Dan, and incorporated by all managers into the hiring process. These expectations were simple words consistent with the Golden Rule such as, caring for one another at work, courtesy, cleanliness, safety, and efficiency. Managers were taught to explain those terms to job applicants and, in the decision of which applicant to hire, to use their judgment about the extent to which each applicant would live and work by those values if hired.

The committee had "Bear Boxes" placed in varied locations around the organization for employees to drop in suggestions, nominations for Employee of the Quarter, Employee of the Year, and Physician of the Year.

Bev Conway, the employee leader of Partners in Caring, reported that in 1991, Dan and the steering committee developed the idea of establishing an employee fund to help Memorial Hermann employees in time of crisis. It was determined that this employee fund would, in times of

personal crisis, provide employees with financial assistance that would never have to be repaid.

The fund was started with an employee-led campaign to solicit funds through payroll deduction. The total amount contributed was then matched by Memorial Hermann. The employees also held "flea markets" to sell used clothing and other items donated to the fund. The fund has grown into an integral part of Memorial Hermann's culture and is now invested in an endowed fund that will always be there for employees.

The Partners in Caring employee assistance fund was extremely useful in the summer of 2001 when Houston suffered the worse flood in its history. Bev Conway reported that

> The Memorial Hermann Health System's teaching hospital at the University of Texas Medical School was entirely flooded and was completely closed for 4 weeks. The system suffered a $350 million loss and 800 Hermann Hospital employees lost their homes, their cars, and most of their clothing and other possessions. Although the Hermann Hospital was closed for 4 weeks and the patients transferred to other Memorial Hermann hospitals, no Hermann Hospital employee ever missed a paycheck. At Dan's urging, the Board of Directors at

> Memorial Hermann Health System authorized a $100,000 contribution to the Partners in Caring Employee Assistance Program, and together with money already in the fund, a distribution of nearly $500,000 was made to the employees who lost their homes to help them through the crisis. Those funds were given to the employees as an act of unconditional love and will never have to be repaid.

Such is the heart of love at the servant-led Memorial Hermann Health System in Houston, Texas.

Another indication of Dan's servant-leadership is his personal involvement in the community. Each fall, for the past 20 years, he has contributed his time on weekends to referee for the National Collegiate Athletic Association (NCAA) football games. The honor of being chosen as a referee for the NCAA is a singular recognition of Dan's honesty and integrity, his judgment and courage, as well as a tribute to his physical stamina and conditioning. Dan was also selected to serve as a referee for the National Football League (NFL) games on Sunday afternoons, and has served in that capacity for over 10 years.

Dan Wilford also believes that organizational servant-leadership at Memorial Hermann Health System requires a commitment to stewardship.

> I have always believed in the Old Testament admonition of tithing, of giving a 10th of my after tax net income. And our Board of Directors here at Memorial Hermann believes that we should do that same thing as an organization. And so, each year Memorial Hermann Health System gives back 10% of our bottom line, or net earnings, to the community. These funds go to organizations like the United Way, the Salvation Army, and other organizations that feed and clothe the homeless. This 10% is in addition to the health and medical programs we give to the poor every year and in addition to hospital services to the indigent patients. And as the scriptures have promised we have, in fact, prospered and our bottom line has grown every year.

Potential downside of servant-leadership. Dan feels that people who are seen as servant-leaders occasionally feel a great deal of self-imposed pressure to "walk the talk." They may feel that pressure to the extent that they are distracted somewhat from their leadership role and may, therefore, be somewhat less effective from time to time. Dan says that he, himself, has sometimes felt exceedingly vulnerable as a servant-leader because he has delegated and depended on followers who, on occasion, have let him down.

This is a built-in risk of trusting other human beings to do the correct thing under difficult circumstances.

Dan is also sensitive to the fact that, despite his efforts in the past, Memorial Hermann still does not have the diversity in senior management positions that he would like to see. He feels that, for a number of reasons, there were not as many women executives in the executive education pipelines in earlier years. Therefore there is not a large pool of women or minority executives over the age of 40 who would have the experience required for senior executive responsibility at this time. He has been pleased to see the number of women and minorities in graduate programs in health administration recently increasing significantly and he is giving them entry level administrative opportunities as often as possible.

Advice to health administration teachers and students. Dan reports that his experience as a graduate student in health administration at Washington University in St. Louis was a high point in his life. He felt that his professors were very committed to teaching life values in addition to their core hospital administration courses. Dan offered the following suggestions to today's students of health administration:

In addition to the required course content one semester, I would require each student to spend the entire semester examining their own personal values. I would ask them to write a paper on the subject. It would be interesting to see how they would answer a question on how they would go about earning and keeping the trust and respect of their followers, one of the most important elements of leadership.

I would also teach my students that their responsibility as a leader is to help their people to succeed. For if the leader enables followers to succeed, then the organization itself is probably going to succeed in its mission of service to the community.

Beverly Conway, Leader, Partners in Caring

Bev Conway has worked with Dan Wilford at Memorial Hermann for 15 years as the senior patient care executive in the organization. She is an assertive person in daily management and has earned the respect and trust of the 14,000 employees of Memorial Hermann. Bev also has a close working relationship with the medical staff and, together, they have earned very high patient care ratings from the monthly patient satisfaction survey. In fact, the Memorial Hermann nursing turnover rate is the lowest in its market

at 14%. Regarding the culture of caring at Memorial Hermann, Bev said,

> Our organization under Dan's leadership has always stressed excellence in patient care. We know that we exist to care for the health of our community. Inpatient care is a part of that and our physicians and nurses are among the best in the land at doing that. Last year the *U.S. News & World Report* named Memorial Hermann one of "America's 10 Best Hospitals". The National Research Corporation last year named Memorial Hermann "Houston's Most Preferred Hospital: Overall Quality and Image".
>
> Our Board of Directors and CEO have always served as caregivers by providing us with the best facilities in town, the most sophisticated technology and the best employees to care for our patients, and they have consistently encouraged and enabled us to continue our professional education and training. Having all those assets and having a noble cause to strive for creates a wonderful atmosphere in which to express love and compassion for our community and for its patients.

Bev Conway says that working for a leader like Dan Wilford is a continuing inspiration to her. She is amazed

by his energy and his good humor, and is always appreciative of his personal humility.

> Dan's a man of deep and genuine humbleness. For someone who has been so successful and is so well known, he never lets it go to his head. He's the same Dan Wilford I first knew 15 years ago before he became famous, but I expect he is wiser now and even more humble than before.

Gus Blackshear, Chairman of the Board

Mr. Blackshear is a widely known and respected attorney in Houston and has served on the Memorial Hermann Board for 8 years. He became chairman of the board in 2001. Gus has a deep appreciation for Dan Wilford, stating,

> Our board members have long been committed to an organizational culture of care and compassion. When we searched for a new CEO in 1984, we looked across the country for a leader who shared our convictions, one who could take our culture and broaden and strengthen it down through the years. Dan has done exactly that. In fact, he has done it even better than we dreamed. We subscribe to the theory that we "do well by doing good."
>
> We have tried to care for our community and do good for them. And in so doing, we have done well as

an organization. And because we have done well, our 10% tithe to the community is getting larger and larger every year as our organization has gotten more and more successful. I think that is a tribute to Dan Wilford's leadership.

The board chairman has announced the initiation of a new *Dan S. Wilford Spirit Award* to honor Dan for his leadership and for his spirit of caring. The award will be given annually, beginning in September, 2002, to the individual at Memorial Hermann Health System who demonstrates that their personal values and attributes most closely reflect those of Dan Wilford. The criteria to be used are the values of integrity, spirituality, vision, compassion, stewardship of talents and resources, commitment to community service and humility.

Charles Jackson, Ph.D., Community Member

Dr. Jackson is a faculty member of a university in Houston and lives in the neighborhood of the Memorial Hermann Hospital. He and his wife have both been patients at several Houston area hospitals, including Memorial. Charles has lived in the Houston community for nearly 20 years and thus is aware of public opinion regarding hospitals. When asked to comment on his observations about Memorial Hermann and its leadership, Dr. Jackson said,

Memorial Hermann over the past 10 to 15 years has risen to the top of the heap of hospitals in my opinion. They always seem to have something going on out in the community, a new program here, a free clinic there, an educational program in their auditorium open to the public, a TV program on prostate cancer, etc. They have the only helicopter air rescue service in town and they are always the first ones to the scene of tragedies, so they are well respected in this community. People seem to understand that they really do care about the people of Houston, and they are really out there visibly trying to do something to help make it better. They sort of inspire confidence and enthusiasm in me. Makes me want to go and get involved.

You asked about their CEO. I don't know him personally but whatever he's doing sure is working. I hear good things about him and the people I know who do know him think he is wonderful. The attitude of caring that's out there on their patient floors is really wonderful. And they always seem to have a new building program going on and adding new equipment, so they must be doing well.

Kirk Spenser, A leader of Emergency Medicine, Memorial Hermann Health System

Kirk Spenser and his staff at the various Memorial Hermann facilities treat more than 350,000 patients each year. When asked to characterize the CEO and board leadership of the organization, Spenser replied:

> Our leadership at Memorial Hermann seems to be a delicate balance between very intelligent business people who know how to run a large corporation in a humane way, and people who have extraordinary vision for the health and well being of our community and a heart for service. For example, we are the first health system in America to have an air ambulance helicopter system, a very visionary and bold way for caring for trauma in the community. If fact we have now flown over 80,000 missions in our 22 years of service. We call our service "Life Flight." I understand that you received legal permission to use our name and logo at your hospital in Jacksonville about 20 years ago.
>
> I am proud to be a member of such a caring and forward thinking hospital organization. Our board and management continue to supply us with our every need in caring for the patients of our region of Texas.

Conclusion of Case One

Memorial Hermann Health System has been led by Dan Wilford for 18 years. Mr. Wilford has recently announced his retirement at age 62, effective December 31, 2002. He will remain a member of the Memorial Hermann Board of Directors and will be given the title of President Emeritus. He will serve as an advisor to his yet-to-be selected successor for a period of 5 years beyond retirement.

Case Two

Baptist Health

Baptist Health of Arkansas is the largest not-for-profit healthcare system in that state. Baptist is a system of 84 hospitals, health facilities, and health services in 18 towns and cities across the state. Headquartered on a 220-acre healthcare campus in Little Rock, Baptist is led by Mr. Russell D. Harrington, CEO since 1984.

Baptist Health was founded in 1920 as the Baptist Hospital of Little Rock and is a church related organization affiliated with the Southern Baptist Convention of Arkansas. Since 1920, Baptist Health has grown into a comprehensive healthcare organization and is today the fifth largest employer in the state with over 7,000 full-time employees and over 1,000 physicians. The

revenue budget for Baptist Health in 2001 was over $1 billion. According to the Arkansas State Department of Commerce, Baptist Health is responsible for more than $575 million in value returned annually to the Arkansas economy, or approximately 1% of the total Gross State Product.

Despite the magnitude of the organization, Baptist Health remains focused on the clearly stated vision of service to the community adopted by the 15 member Board of Directors:

> Shared Christian values of service, honesty, respect, stewardship and performance, combined with a commitment to customer satisfaction through continuous improvement allows Baptist Health to unite physicians, nurses, employees, technology and access into the most comprehensive healthcare provider, delivering total health services to the citizens of Arkansas. Serving the spiritual, emotional and physician needs of patients from the inception of life to support at life's end means compassionately providing total health from prevention to long-term care.

Mr. Russell D. Harrington, CEO

Background. Russ Harrington was born in 1944, the son of a Baptist minister. According to Russ, his mother was a gentle woman who was kind and patient with Russ, but taught

him to love God and do good works in his life. Russ remembers thinking as a child that he should follow his father's footsteps into the ministry.

Russ went to college at Arkansas State University in Jonesboro. In preparation for a probable career in the ministry he did his undergraduate work in broadcast journalism and political science, also serving in the school ROTC program. As he graduated from college in 1966, however, there was a great need for young men to enlist in the military for the Vietnam War effort, especially those who had been through college on an ROTC scholarship.

Thus, Russ became a Lieutenant in the Army and was assigned to the Medical Service Corps at Brooke Army Hospital in San Antonio for training in administration. After his training in San Antonio, Russ was sent to Vietnam, where he was put in command of the 7th Army Field Hospital in Long Binh. It was there, during the trauma of war in Vietnam, that Russ discovered that his job of administering the hospital was, in fact, a ministry. He learned in Vietnam that the very word *administration* came from two Latin words *ad ministrare:* to minister; or to serve. The idea of committing to a civilian career in hospital administration after the war appealed to Russ' desire to serve, or to minister. This idea of ministry

through healthcare had never occurred to him prior to Vietnam.

After his 3 years in the Army, Russ entered the Graduate Program in Health Administration at the University of Missouri in Columbia, Missouri. He found his time there to be a period of reinforcement for his decision to enter health administration as a career. Russ had never thought of himself as a leader, had never aspired to be a leader, although he was aware that leadership of the parishioners was an important role had he become pastor of a church like his father. Nevertheless, he had never intended or sought a role in leadership. What he really wanted to do was to serve people through ministry. In graduate school at the University of Missouri, Russ learned that he could maximize his service by leading others in the path of service through healthcare in hospitals. This discovery let to his position as the leader of the largest health system in Arkansas.

As a part of the graduate program in Health Administration at the University of Missouri, all students were required to do a 1-year residency program in a university approved hospital under the direction of a university approved hospital CEO. Russ was fortunate to be selected in 1969 as the Administrative Resident of John

Gilbreath, the widely respected and very senior CEO of Baptist Medical Center in Little Rock, Arkansas. Russ felt that he could not have been more fortunate. He said,

> "John Gilbreath was one of the kindest and wisest men I ever met. He was a tough task master with a solid business mind, and he made very few strategic errors in his career. But he knew his business, he was very well liked by the medical staff and employees, and he built one of the finest hospitals in America. John saw his role as CEO to be a privilege, and his administrative competence as a gift from God which was John's responsibility to use to the maximum. My year of residency under John Gilbreath was an incredible learning experience for me. He taught me the nobility of our calling to be administrators, or servants of the hospital employees and medical staff, and therefore servants of the patients, and of the community."

At the conclusion of his residency year, and after graduation from the University of Missouri with his Master's in Health Administration, Russ had the further good fortune of being offered an entry level position in the administration of the Baptist Medical Center in Little Rock.

Practice as a servant-leader. Russ feels that one of the great values he has as a leader is a sense of community, of home, of place. He relates that sense to his feeling that the universe is intended to be whole, to be complete, to be in harmony. By extension, he feels that his own community, that smaller piece of the universe, should also be a healthy, happy, and harmonious place.

As a corollary to that feeling of community, Russ stated that he feels a sense of stewardship of the assets entrusted to him at Baptist Health. He feels a desire to protect and increase the assets, but also to give something back to the community as an expression of love for the community and appreciation for the privilege of serving them.

Toward those ends of building community and stewardship as a servant-leader, Russ stated that he and his organization do an annual health program for the community called Operation Care, 3 days of free healthcare services for the Arkansas homeless and medically underserved. This is in addition to the daily care of the poor given by Baptist hospitals throughout the year which totaled more than $27 million in 2001. In September, 2002, Operation Care will be done in cooperation with the 148th Army Evacuation Hospital of the Arkansas National Guard.

This year the operation will be held on one square block of city land in downtown Little Rock. It will be the largest field hospital ever constructed in Arkansas. Russ says about Operation Care,

> We at Baptist Health want to give something more back to the community as an expression of love for the people of our community. Baptist, the Arkansas National Guard and the Interagency Council on the Homeless have been planning for many months how we can make an impact on the health status of our neighbors.
>
> Operation Care is in line with our Christian mission and we will offer free services to include everything from physical examinations and immunizations to eye and dental care. Patients can stay in the field hospital overnight for inpatient procedures. There will be social services, food and clothing, Spanish and deaf interpreters available when necessary, and an area will be made available for children to stay while their parents are receiving assistance.
>
> This is a gift of love from us to our community. In fact we think that love really is about growth. Love to me feels like the extension of one's self for

the growth of another's spiritual well being. Thus, our organization stands for love in our community.

Another expression of Russ' commitment to community and to stewardship is found at the Community Wellness Center which Baptist Health has established in partnership with the African/American St. Paul AME Zion Church. I could see the depth of sincerity in Russ' eyes as he described this service to the community.

> The wellness center is open 4 days a week at the church and is staffed by Baptist nurses, technicians, and therapists, and a physician and pharmacist come one afternoon a week. The objective is to help identify patients at risk for high blood pressure, diabetes, sickle cell anemia, and other "silent-killers" prevalent in that population. Treatment and follow-up care is given and the patients are encouraged to be faithful to their diets, exercise and medications. A small charge of $1 a visit is made for those who can afford the charge. I believe that a small charge adds some dignity and importance in the minds of the recipients. The care is not just a "handout." We have established 12 such clinics in Little Rock as an expression of love and concern for the less fortunate people of this community.

On one visit to Baptist Health, I had the privilege of attending an employee forum with Russ and observing his manner with his employees. The purpose of the forum was two-fold: (a) to allow Russ the opportunity to report back to the employees on the results of the annual Baptist Health system-wide employee opinion survey (see Appendix E), and (b) to give Russ the opportunity to listen personally to the employee comments. The forum was held in the 300-seat hospital auditorium. The room was full. The audience of nurses, technicians, housekeepers, pharmacists, maintenance workers, and managers were visiting happily with one another until Russ and his visitor walked in.

Russ called the meeting to order from the podium on the stage, offered a few lighthearted comments with a smile, and began his report. There was laughter in the audience when the power point wouldn't cooperate and polite applause when a technician finally got it repaired.

In the current year employee opinion survey, there were 10,347 questionnaires returned, an increase of 2,038 more than last year. One of the questions shown on the screen was, "What is the best thing about working at your facility?" Several responses are quoted below:

- I like working in a place that promotes integrity, quality workmanship, pleasant attitudes, enthusiasm, and a family atmosphere.
- I appreciate all of my co-workers, the job that they do and how well we work together as a team.
- Working in a healthcare setting is like working with a big family. I enjoy becoming friends with my co-workers.
- There is no feeling of "ranks." We have good Christian co-workers, caring physicians, management and staff. Everyone treats each other with respect.

Another question shown on the screen asked, "What specific suggestions do you have to help management make your facility a better place to work?" The most frequent responses were listed in descending order:

- Be fair, impartial on policies, treat equally, consistent, no micro-management.
- Improve communications – honest, timely, accurately.
- Hire more staff, increase patient-staff ratios.
- Increase raises, pay, offer bonuses, incentives.
- Listen to staff, ask for input.

The meeting in the auditorium lasted 1 hour, with a power point presentation of about 20 minutes and

approximately 30 minutes spent by Russ as he listened to the employees' questions and comments and had microphones being passed around the aisles for employee use. Russ fielded every question personally and gave a very thoughtful answer to each one, often interjecting some humor in his answers. Russ concluded the meeting by reporting to the audience:

> This year, the tradition of "co-workers" being named in the employee survey as the "best thing" about working at Baptist Health held true again, but only by a slight margin. Just behind "coworkers" was the response "the family atmosphere, good environment, and friendly faces." Frankly, if next year it's a tie between those two answers to the question about the "best thing" about working at Baptist Health, it'll be fine with me. Either way, it indicates our patients and community are being well served by a happy family of Baptist employees.

Potential downside of servant-leadership. Back in his office after the employee meeting, Russ was asked about the downside, the difficulties of his leadership style. What are some of the weaknesses that appear, from time to time, in his own work and in the work of other leaders in his organization? Russ had this to say:

A large organization with multiple facilities requires a great deal of balance. When the basic human problems of ego, and greed, and selfishness, and jealousy interject themselves into the management equation, as they invariably will, I have to be sensitive enough to the soul of the organization to identify the problems at an early time, and smart enough to figure out how to deal with it.

It reminds me of the old Chinese magician "plate spinning" trick we used to see on the Ed Sullivan Show. The magician lines up 12 vertical wooden sticks on the stage about 2 feet apart in a straight line, each stick about 5 feet tall, and beings to spin china plates on top of each stick in turn. Then as he moves along the line spinning new plates on each stick in succession, the first plate begins to slow down its spin and starts wobbling, and the magician has to run back and spin it again hard so it continues to spin. Ultimately he gets all 12 plates spinning, but his real task is to keep them all spinning. The laws of physics, like gravity, inertia, or friction, tend to slow the plates down and it requires constant attention, analysis, and corrective intervention by

the magician to keep all 12 plates spinning effectively.

I think management and leadership of a multi-site health system have a lot in common with the magician. Here we have to be sensitive to our leaders at each site, watch out for the common human frailties, like greed, anger, ego, narcissism, flawed vision, and authoritarianism, quickly identify at each site when a plate is slowing down and begins to wobble, and quickly intervene, spin the plate, or have frank and direct, but kind, meetings with the manager or leader at that site to heal the problem.

The same vulnerabilities are a danger in my own life as a CEO. My board chairman and his executive committee watch my performance as CEO and don't hesitate to give my "plate" a spin when they sense I'm out in left field on a particular issue, or if I've just gotten tired or overly anxious and am not functioning well. They are a very wise group of men and women and they function well together to oversee our leadership. We have a very deep mutual respect between board and management, and within the management team. We talk openly at our meetings about

our frailties and our potential dark sides. We openly try to help each other.

Advice to health administration teachers and students. Another question posed to Russ was, "What advice would you give to those who teach our graduate students in health administration? And what are some of the recollections from your own graduate school days in health administration which have stood you in good stead down through the years?" To these questions Russ replied:

> I remember one particular lesson I learned about leadership and building a leadership team, and that lesson is still central to my work today. The lesson was to build your leadership team around central core values, which are the core values of yourself, as CEO. In my case those values are compassion, insight, self-discipline, courage, integrity and self-awareness. There are other values of mine of course, but those make a good solid central core.
>
> Then it's important to recruit your leadership team around those core values, that is, to be sensitive enough to other people that when you are interviewing and getting to know potential fellow workers, you try to make a value judgment about how

close does that person come to sharing those values with you.

My professor told us to think critically first about our own values, then align yourself in your career with organizations and leaders who you think live and lead by your values, and then, as you advance through the organization and build your own leadership team, the organization will begin to feel and lead in a way that is reflective of your values. I guess the trick is to be sure that you yourself have solid, noble, virtuous values that will best lead the organization and serve the community in the best possible way.

My advice to teachers in today's graduate programs would be to spend time focusing with your students on values. Teach the *servant* nature of hospitals, their heritage of service to the sick and injured, talk about compassion, concern for patients and their families. Take care of your own employees and staff so that they can take best care of their patients. If all our young students come out of school better grounded in our culture of caring and our heritage of compassion, I think the world will be a better place.

Jill Massiet, R.N., Vice President, Patient Care

Mrs. Massiet has been the senior patient care executive at Baptist Health for 4 years. Before joining Baptist she was Vice President of Nursing Services at a national for-profit hospital chain, one that is owned by stockholders and is traded on the New York Stock Exchange. Mrs. Massiet thus has a good perspective from which to compare the values and the character of the not-for-profit Baptist Health System against background of the competitive nature of the for-profit hospital world. Jill spoke about her experiences at Baptist:

> My experience at Baptist is that the executives here are "real" people. What you see is what you get. And what you see is a beautiful mixture of love and compassion for the community, for the patients, of good humor and light hearted, good-natured, kidding in the halls and around the offices. Their values are real, and they "walk the walk." They live them out here. Russ would never ask me to do something that he wouldn't do himself. He is a Christ centered man and he sees his work as his ministry of healing, after the teachings of Christ.
>
> I have also been impressed here at Baptist, that when we debate adding a new service or a new piece of

> equipment, the first questions are about community need. We first think about what does the community need, then we ask questions about the quality of the service or equipment. Somewhere down the line we get around to asking how much it costs and how much would we have to charge the patients for the service. But the biggest concern about cost is the idea of priorities. "If we spend the money on this service or equipment, what other service or equipment are we passing over? If we have this much money is that particular service or equipment the highest and best use in serving the community, or is there something better." The idea of money is never discussed at Baptist in the context of "how much will we make out of this?" or "how can we maximize our bottom line and enrich the shareholders?" At Baptist, the questions are always about community and about quality. What a refreshing and exciting change from my previous life.

Wanda Bixler, R.N., Employee Development Specialist

Ms. Bixler has been a nurse educator at Baptist Health for over 20 years. She has her master's degree in counseling and is very insightful in helping the employees at Baptist grow in their professional and person lives.

Wanda is responsible for, among many other things, the new employee orientation program, which is done every other week as an 8-hour program in the main auditorium of the Baptist Medical Center. Wanda is the person with the most "organizational memory" among the current executive staff, having been there and served under John Gilbreath, Russ' predecessor. Wanda says about the organization:

> John Gilbreath and his board, even back in the 1960's, viewed their work here as a ministry of healing. There is just a value of caring, a commitment to the heritage of compassion that permeates this whole organization. I am privileged to be the one who, at this passage in our organizational history, who gets to pass on this tradition to our new employees.
>
> Another of my responsibilities is to help management sharpen their skills in screening for values in our hiring process. We have done that so long now that it seems we've gotten homogenized, our hospital family are mostly people who share the basic value system. Of course, we do make mistakes in our hiring practice from time to time. We try to help those people who don't fit, for example ones who for whatever reason don't want to conform to the dress code (no nose rings on the job, for example) but we do

"cut our losses" and let those people go when it becomes apparent that we have a mis-fit. We do exit interviews and try to learn from our hiring mistakes. But basically, we have a happy family here, doing noble work, and we will work hard to keep it this way - good service to the community.

Phil Mizell, M.D., Vice President, Clinical Affairs

I had a comfortable visit in the office of Dr. Phil Mizell. Phil is a psychiatrist by training, but has been recruited to the valuable role of Senior Medical Officer for the Baptist Health organization. In the role, Phil stated that he is responsible for the organization and management of the 1,200 physicians who practice at Baptist. He is responsible to see that the physicians meet all the criteria for having staff privileges at Baptist, perform their "on call" responsibilities in the emergency departments, satisfy their required continuing medical education hours on an annual basis, and meet all quality of care standards. Additionally, he is responsible for moderating any disputes which may arise in the course of medical practice at Baptist. Phil attends all meetings of the medical staff departments, such as the Department of Surgery, Department of Medicine, Department of OBGyn and Department of Pediatrics. He attends all medical staff

committee meetings, guiding the medical staff in deliberations as they relate to the hospital. Phil also attends meetings of the Board of Directors and represents physician interests and concerns to the board.

Phil notices the differences between being a physician in private practice, as he was for most of his career, and being an executive on a management team in a large organization. Physicians learn in medical school that their responsibility is to take care of patients, one patient at a time, as an independent agent. Thus physicians think for themselves, and have a very proudly independent streak in their view of the world. Now, as Vice President of Baptist, Phil has to think as a team member. His "patient" now is the Baptist organization, and his fellow executives are his partners in caring for the "patient." He is no longer solely responsible for the care of the patient.

Phil finds his new role to be refreshing. He says,

> I appreciate the commitment this board and management team has made to the spiritual values of life. They truly do demonstrate in that spirituality is the "glue" that holds this organization together. You know, doctors have a bond of brotherhood, which is very important. But here within the Baptist Health family I feel a spiritual bond, a bond that seems to

unite us not just with each other, but also to a higher, more noble calling, of caring for our patients and for our community, and a bond that also seems to unite us together in this calling with a higher power. It's a very special kind of feeling that I'm going to have to think about and find more effective words to explain. I'm relatively new working in an organization like this, having always been an independent physician. But I find this feeling to be something special. If feels like a gentle, lovely tie that binds us together in our work of caring. One might describe this as love.

I also appreciate the organization's commitment to continuing medical education. They have a large support staff to help and encourage physicians to remain current with medical advances. The medical staff also appreciates the CEO's foresight in thinking about new technology and making it financially possible for us to have the very newest and best for our patients.

Ben Elrod, Ed.D., Former Board Chairman

I had the privilege of visiting with Dr. Ben Elrod at Baptist when I accompanied Russ to a Baptist Health Foundation Board of Directors meeting at the hospital. One

of the delightful members of the board in attendance at the meeting was Dr. Ben Elrod, retired President of Quachita Baptist College, in Arkadelphia, Arkansas. Dr. Ben, as he is respectfully called, had a wealth of knowledge about Baptist Health, its history, its heritage, and its current state of affairs. When asked to comment on the current leadership, Dr. Ben offered the following:

> I have had the privilege of being involved here at Baptist Health in a board capacity for nearly 2 decades. But I watched the organization for many years before that. Baptist Health was built on a solid foundation of wisdom, love, and stewardship. There were some fiscally conservative men on those first boards. They did a wonderful job of ministry to the sick, but they ran the organization on solid and practical management and accounting principals. The result today is that same solid core of spiritual values about care and compassion for the community is there but Russ and his staff over the most recent 20 years have literally built a shining city on a hill out here west of town. Can you imagine a 220 acre campus on these beautiful hills looking down on the city, such well planned buildings all linked together, great surface level parking for our patients, and, due

to good financial planning, practically debt free. It's amazing to us who have been here for so long. But land and buildings and balance sheets are for naught unless they are used in the highest and best way to serve God and his people here in Arkansas. Russ and his staff have got it just right. They are a wonderful combination of gentle people, loving each other, loving their work and the people they serve, all the while minding the economics and technology of a very sophisticated organization. We are in excellent financial condition, maintaining our tax exempt bonds at an "A" rating and continuing to keep our personnel turnover at the lowest in the state. I feel so blessed to be a part of this.

Case Three

Integris Health System

Integris Health System is the largest not-for-profit health system in the state of Oklahoma. Integris has been led by its CEO, Mr. Stan Hupfeld, since 1986. Headquartered in Oklahoma City, the state capitol, Integris is a health system comprised of 15 hospitals, 1,800 licensed beds, 10,000 employees and 1,880 physicians, and has an operating budget in excess of $1 billion annually. The name *Integris* is a word implying health and wholeness in the community.

The word also implies the integration of the many facilities, employees, and physicians who are uniquely united in an integrated health service for the people of Oklahoma.

Begun in 1959, the Integris Health System is governed by a 13-member board of directors made up of business and community leaders from across the state. The Health System is on the forefront of medical research and practice. Integris is home to the state's leading heart transplant program, the regional burn center, a fertility institute, the cancer institute, and the world's leading center for cochlear implants through their facilities at the Hough Ear Institute. Integris is also recognized for its statewide leadership in neonatal intensive care, pediatric intensive care, its women's health center, and its Jim Thorpe Rehabilitation Hospital.

The Integris Mission is "to improve the health of the people and communities we serve." Its vision is "to become the healthcare provider of choice committed to caring service, quality outcomes and cost competitiveness."

The population of the state of Oklahoma has some unusually bad health problems. These problems are the focus of much of the strategic planning and program development done by the Integris Health System. As an example, the

State of the State's Health 2001 Report (Oklahoma Department of Public Health, 2001) finds that Oklahomans die from the leading causes of death at a rate that is 14.4% higher than the United States as a whole.

There continues to be cause for concern when looking at age-adjusted death rate trends. Before 1990, Oklahoma's age-adjusted death rates were better than the rest of the nation. From 1990 forward, however, Oklahoma's death rate has increased dramatically, while the national rate has decreased. A number of factors combined to cause the increased death rate, including: Oklahoma's economic downturn after the oil industry decline, a decrease in the percentage of total health dollars spent on preventive health measures, and Oklahoma's continued high rates of tobacco use.

As a consequence, Oklahoma is 15% higher than the national average in heart disease, 26% higher in personal injuries and 12% higher in the number of strokes (Oklahoma Department of Health, 2001). These statistics can be attributed to one of the nation's highest rates of nicotine addiction (25.2% of the Oklahoma population) and the nation's highest rate of obesity (55% of the Oklahoma population are obese and 21.1% are morbidly obese).

According to report from the Oklahoma Health Care

Authority, Oklahoma's poor health status seems to indicate that there is a strong association between the general health of the population and their socioeconomic condition (2001). Also according to the report, 16.6% of the state population lives below the poverty level of $17,650 annually for a family of four, compared to the national average of 13.3%. The same report indicates that the reproductive health of Oklahoma's teenagers is not improving. The teen fertility rate rose significantly (7.3%) in 2001. Consequently, there was a 4.2% increase in low birth weight babies (below 2,500 grams).

Against this backdrop of statewide socioeconomic difficulties and the resulting poor health of the population, the Integis Health System and its CEO, Mr. Stan Hupfeld, have put forth their organizational mission statement "to improve the health of the people and communities we serve."

Stan Hupfeld, Integris CEO

Background. Stan Hupfeld is the CEO of Integris Health, the largest not-for-profit health system in the state of Oklahoma. Stan was appointed CEO of Integris in 1987. Stan Hupfeld's career in health administration began in 1972 when he graduated from Trinity University in San

Antonio, Texas, with his Master's Degree in Health Administration.

Stan, born in 1944, had been the only child of a business executive father and a school teacher mother in Dallas, Texas. His early memories in life are of the 2-hour drive each morning with his mother as she commuted from Dallas to Denton, Texas, where she was studying for her Master's Degree in Education at North Texas State University.

For the 2 years his mother was in graduate school, Stan attended a Catholic elementary school in Denton. During those long daily drives with his mother, Stan came to admire, and to later replicate in his own life, his mother's commitment to education and her determination to excel in her academic pursuits. Stan also learned from his mother during those years about her heroes in life, Winston Churchill, Dwight Eisenhower, George C. Marshall, and other leaders from the recently concluded World War II.

Even though Stan's mother became the principal of a large public high school in Dallas, Stan continued to attende a Catholic school, Jesuits High, in North Dallas. About himself, Stan says,

> My mother had instilled in me a lot of self-confidence, and I think I'd have to admit to having a

> fair sized ego. So in high school I always seemed to gravitate to the center of whatever was going on at school. I loved drama and always seemed to win the lead male role. I loved academics and was always the president of my academic clubs. I loved athletics and always wanted to be the leader of the football team, and I was always the quarterback. Jesuits always had good athletic teams and when I was a senior in high school our football team won the Texas State Championship.

Stan had a very successful academic career in high school, college and graduate school. When asked to comment on the foundation of his academic success Stan recounts the following:

> Because I was a good athlete and a good scholar, I was given an athletic scholarship by the University of Texas in Austin where I played quarterback on their football team. Although I still wasn't sure what my career path would be, I knew that I should become a leader of some cause or some organization some day. In the absence of any clear career direction I majored at first in history and political science. Later, my mother suggested I go to medical school or dental school, and ultimately that is what I did.

> After completion of my undergraduate degree, I was accepted by the University of Texas School of Dentistry. But after 2 years of study there I knew that I couldn't spend the rest of my life standing in one spot looking into people's mouths. So I quit, much to the dismay of my mother. It was the first thing in my life I ever just walked away from. That was a great turning point in my life. But despite the fear of disappointing my mother, and despite the uncertainty that decision created in my life, I knew instinctively that it was the correct decision for me.

The decision to leave dental school was made during the Vietnam War era, so like many of his friends, Stan enlisted in the Army.

> Because I was a college graduate with some medical background, I was commissioned a First Lieutenant and assigned to training in the Medical Service Corps at Fort Sam Houston in San Antonio. After training I was assigned to lead the Army Field Hospital of the First Cavalry Division in Phuong Din, Vietnam for a year.
>
> That period of training and leadership in Army hospitals was enough to convince me that my aptitude for leadership might best be utilized through a career

> in hospital administration. And that was IT for me. And so when I was mustered out of the Army in San Antonio, I applied for admission to the Graduate Program in Health Administration at Trinity University in San Antonio. Trinity is a very competitive, high quality Presbyterian school with a great reputation s one of the best schools in America for health administration.

Stan had an excellent experience at Trinity and at graduation was recognized by the university as the winner of the Dean Leonard Duce Award for outstanding academic achievement and leadership.

Stan's first executive position in a civilian hospital was at Providence Hospital in El Paso, Texas. After a brief experience in an entry level administrative position there, Stan was named CEO of a Providence satellite hospital in a small town near El Paso. He was 30 years old.

After several years of successful work in the Providence Hospital System in El Paso, Stan was selected to be the new CEO of the All Saints Episcopal Hospital in Ft. Worth, Texas. Stan says,

> All Saints was a remarkable learning experience for me. I think I really grew and matured as a leader during my 10 years there. It was my first real

> experience of interfacing and getting involved in the life of the city as the CEO of one of the major organizations in town. At All Saints I felt like my life was in balance and I sensed that hospital leadership was the correct career path for me. I felt very much at home in that place and in that role.

In 1986, the CEO of the Integris Health System in Oklahoma City retired after a long and successful career. The Integris Board of Directors retained an executive search firm and conducted a national search for a new CEO. After a year-long search, Stan Hupfeld was selected to lead the Integris Health System.

Practice as a servant-leader. Early in his tenure at Integris, Stan articulated to the board, employees and medical staff three of his personal core values - to love, to learn, and to lead. Stan explains his philosophy about these three values as follows:

> When I use these three terms this is what I mean. The word *love* suggests to me that we as an organization should love God and all people, and we should treat others with kindness, dignity and respect. We should be patient and forgiving. We should serve each other and our community with a caring heart.

> The word *learn* suggests to me that we should as an organization listen to others, ask questions, and be open to the views of others. We should strive to learn and improve our personal performance every day. We should create a learning environment at Integris, to learn about the world around us, the state and communities in which we live, and learn how we can serve each other and our communities more effectively every day that goes by.
>
> And the word *lead* suggests to me that we should seek and provide direction and vision for our organization and the communities we serve, we should expect and acknowledge excellence, demonstrate honesty, show courage, and lead by example.

Over the first several years at Integris Stan made a concerted effort to get to know the employees and the medical staff of the Integris organization. He still makes an effort to be visible in the various hospitals and other facilities of Integris, and to speak personally to as many of the personnel as possible, inquiring about their families, their children and their well being. An observer walking the hospital halls with Stan quickly notices his personal warmth and touch and his evident concern and

interest in people as well as their warmth and friendliness in return.

On my recent visit to Integris I had the unique pleasure of accompanying Stan and his senior management staff on a visit to one of the Integris hospitals during the lunch hour. A musical skit had been prepared and was set up on a stage in the middle of the hospital cafeteria for all the lunching employees to see. Stan dressed up in a red, white and blue "Uncle Sam" costume, complete with a star spangled top hat and a pasted-on white goatee. Together with eight of his senior executives and a chorus of 20 patriotically costumed employees, he performed the 15-minute skit. "Uncle Stan" expressed appreciation for the continued good efforts of the employees toward improving the health of their community. While pointing his index finger at the audience, he was heard to exclaim, "Uncle Stan wants YOU in the Integris Army to fight poverty, improve health and the quality of life in the communities we love and serve!" Stan's song and dance routine was quite an entertaining performance and clearly demonstrated his sense of humor and willingness to make a public spectacle of himself for the enjoyment of his co-workers.

Stan speaks of another of his personal values, that of being an enabler by helping his fellow-workers to succeed

in life and in their careers. He sees his leadership role, in part, to provide his staff with a safe and clean work environment, a competitive wage scale so that they are comfortable and their families are secure, and an environment which constantly offers opportunities to learn and improve their efficiency and effectiveness. He also feels that it is his role to provide the best and newest medical technology to care for the patients. Stan believes that if he provides these things for his organization, along with constant feedback and recognition, he will always be enabling his fellow workers to succeed.

Another of Stan's commitments as CEO of Integris is to be involved in the civic life of the community. Stan has recently completed his term as chairman of the Oklahoma City Chamber of Commerce, he has chaired the United Way, the Boy Scouts, and the Board of the Symphony Orchestra. He serves on a prominent bank board in Oklahoma City, along with other civic and church responsibilities. Stan encourages his entire management team to get involved in their community and to encourage their neighbors to do the same so that they may all work toward a better place to live and to raise children. Stan is also very involved with the county school board as a citizen vitally interested in public education.

In the year 2000, Stan suggested to the Integris Board of Directors that they formalize their organizational philosophy of giving of themselves for the benefit of the community. The board agreed and began a program called RETURNSHIP. As Stan puts it,

> RETURNSHIP is the giving of ourselves back to the community, for it is the time and effort exerted (sweat equity) that truly touches the lives and well-being of people. In fact, RETURNSHIP is our foundation. It is respect for individuality and human potential and it is the commitment of all we have, all we are and all that we do. RETURNSHIP is responding to our community's needs with our talents and resources. It is the continual pursuit of quality and the expansion of knowledge and compassion for the whole person, every person. RETURNSHIP is working together with dedication from the heart.

Stan went on to talk about some of the specific strategies and programs Integris has adopted through RETURNSHIP over the past 3 years:

> RETURNSHIP is operationalized through a four-point strategy. First, the strategy underscores the continuous development of an organizational culture of community service. Second, it stresses the

> identification of the gaps between the community's needs and the services offered. Third, the strategy features the development of collaborative community relationships and programs that will meet such needs. And finally, the strategy emphasizes measuring success. Through RETURNSHIP we establish "Promises" to key community stakeholders over a 3-year horizon. For us at Integris, it feels like the right thing to do.

Stan Hupfeld offers a broad definition of the word *health*, as it is used in the Integris mission statement to improve the health of the community. He follows closely the World Health Organization definition of health, which is, "Wholeness in body, mind and spirit." He feels that a community cannot be physically healthy unless it is also whole in its spirit, or its heart. He sees the health statistics of the Oklahoma State Department of Health and its assertion that poor socioeconomic conditions are leading to drug and alcohol abuse, violence, crime, and teen-age pregnancy and feels compelled to get Integris involved in a meaningful way. It was the philosophy of RETURNSHIP that encouraged sustained effort by Integris to focus on one specific school in what Stan describes as the poorest neighborhood in Oklahoma City.

I spent an entire morning visiting and touring the Western Village Elementary School facilities, meeting the administration and faculty, observing classes and playground activities and learned about their mission and their experiences. In 1999, Stan and the Integris Board of Directors voted to make a permanent commitment to the Western Village Elementary School, now called the Academy, on 106th Street in Oklahoma City. The 20-block neighborhood around that school had one of the highest crime rates in the state, gangs controlled the streets, graffiti was on many public walls and buildings, and the school had the worst academic record in the entire school system. In such a neighborhood it was not surprising that the death rates from lung cancer, heart disease and violence were among the highest in the state, as was the incidence of teen pregnancy.

Stan and his staff developed a plan to improve the status of health and the quality of life in the neighborhood, beginning with the education of the children. They took their plan to the governor, Frank Keating, to the state legislature, and to the county school board gaining unanimous, enthusiastic, endorsement and support. On September 1, 1999, Integris was given total responsibility

for the Western Village Academy, an elementary school for 350 of the poorest children in the state.

Stan and his staff set about hiring a totally new faculty and principal for the school, and Stan appointed one his best and most experienced executives to be the full-time liaison between Stan, the school, and its principal. Integris dedicated the funds necessary to clean up the school, give it a bright new happy face, a new library, books, lighting, carpets, air conditioning and heating system, cafeteria, and an enthusiastic new faculty and administration. From the 1st day, Stan called for Integris volunteers who would agree to "adopt" the Western Village students and serve as their mentors. The cadre of Integris volunteer mentors were given training in their roles and especially coached to help instill in the children a sense of pride, self-confidence and self esteem. From the 1st day, every Western Village student had their own personal Integris employee mentor, someone to love them and encourage them, to help them with their school work, to play with them on the basketball courts. Stan encouraged the mentors to spend a half day each week on "company time" to work with the students.

Meanwhile, the new principal and faculty focused also on the development of a Parent/Teacher Association (PTA),

which had not previously existed at Western Village. The Integris employees went door-to-door in the neighborhood, talking to parents, neighbors, and friends of the children, encouraging them to come to the school, see what was happening there, join the PTA, and get involved. Monthly PTA meetings were scheduled in the evenings, the children put on plays and musicals to entertain the parents, and the school prepared a wonderful dinner for all who would come. PTA meetings at Western Village Academy quickly became one of the month's most popular events in the neighborhood and the school had to expand the room to accommodate the parents.

The Integris employees quickly caught Stan's spirit of commitment to the school and improvement of the health and quality of life in that neighborhood, and a large number of employees got involved. The leaders of the gangs in the neighborhood were identified and the gangs were eventually co-opted into cleaning up the neighborhoods, erasing the graffiti, and making the school a safer place. Integris offered scholarships to gang members and is helping a number of them through vocational schools so that they can earn a living and gain self-respect.

Meanwhile, Integris established primary health centers in each of four quadrants of the neighborhood and at the

school itself. These clinics were staffed by Integris nurses and technicians working on company time and offered free health screenings and treatment to the children and the residents of the neighborhood. At-risk patients with diabetes, high blood pressure, vascular disease, alcoholism, and other diseases, were identified and followed on a periodic basis.

The results of this Integris effort over the past 3 years are dramatic (see Appendix F). The crime rate is down by 30%, the graffiti is gone, the PTA is one of the most active in the City, and the children's test scores are up dramatically. The student mobility index is down, teacher turnover rate has gone from 80% to zero, and dollars spent on repair of vandalism has gone from thousands per year to less than 100 this year.

Meanwhile, all the students have been immunized, screened for vision, dental and hearing problems and treatment and corrections were performed when necessary. Asthma rates have declined and are being treated, and student obesity has been controlled. The physical health of the students has improved dramatically. While a recent visitor to the school noted a school atmosphere of happiness and excitement, it is yet too early to assess the impact on student self-image, self-confidence and self-

esteem. Those characteristics, however, should also improve dramatically.

Potential downside of servant-leadership. Stan leads one of the largest organizations in the State of Oklahoma. Integris is one of the largest employers in the state and has one of the largest financial operations budgets in the state. Oklahoma is a state in which much of the economy is based on the oil industry and cattle ranching. Leaders in those two industries tend to be tough, self-made, and oriented to look for the "bottom-line." Stan relates his experience in dealing with them:

> Servant-leadership is based on care and compassion for people, and its based on love and understanding, among many other things. I suppose that to the "rough-necks" in the oil field and to the cattlemen who come from a rough "survival" mentality, servant-leaders may at first seem to them to be soft, timid, weak-willed shrinking violets.
>
> I think that servant-leaders have to earn the respect of those rough and tough people from the "oil patch" and the cattle ranges. Maybe we have to be even a little bit more outspoken and courageous in our views and our actions around people like that in order to earn their respect.

> I think they don't understand at first that we can be tough and courageous and, at the same time, provide a compassionate health service and turn a healthy bottom line on the financial statement. But when we do earn their respect, a man couldn't ask for a more fiercely loyal supporter.

Advice to health administration teachers and students. As we sat in Stan's office discussing education, I couldn't help noticing the plaque on the wall behind his desk commemorating his selection for the 1972 Dean Leonard Duce Award for Outstanding Student in Health Administration. The Duce Award is given each year to the graduate student with the highest grade point average and the most outstanding university and community leadership for that year. As Stan had mentioned in earlier interviews he had always been a good student, and he is today vitally interested in and committed to education. His suggestions to current and future students of health administration follow:

> Some of my best moments in life were in my health administration graduate school days at Trinity University. Dean Leonard Duce was my hero. He was a philosopher and a great inspiration to me. I think he has been my role model for teaching younger administrators about balance in life, about keeping

professional and personal interests in a healthy equilibrium.

When I give career counseling to graduate students in health administration I tell them that the reason I want to see their transcripts is, in part, because I think that their grades are reflective of their work ethic, maybe even more than their intelligence.

Kids who show me good grades are probably young people who have the discipline to get their work done at a high level of quality and get it done on schedule. They know when it's time to work and when it's time to play, and they have the personal discipline to keep them in balance. Those are very important qualities I look for in young administrators who we hire and hope to see grow into valuable members of our management team.

As we discussed the pool of future health care administrators the question of gender and ethnic balance emerged in the conversation. Stan mentioned his concern about the lack of balance:

I am concerned about the issues of fairness and equality in our executive pool across the country. I am doing what I can here to strengthen the numbers of

female executives. I think we've done a good job with the balance of Hispanic leaders here. It is close to reflecting the overall population of our community. But we're still behind in the number of female executives.

You may have noticed a number of senior female executives on our team and, in fact, this year our Administrative Resident is a female from the Trinity program. But I wish we had a way of encouraging more females to enter the graduate programs in health administration.

Perhaps we could find a way across the country for hospitals to provide financial incentives to aspiring female nurse executives, or female accounting managers, among many other backgrounds, to study for their master's degrees. We really need to focus more on that at the board and CEO levels in the hospitals and at the Dean levels in graduate schools of health administration.

Patrick McGuigan, Editor, The Oklahoman

Mr. McGuigan is a long time resident of Oklahoma City. In his role at the city's leading newspaper he has observed the triumphs and the tragedies of the city, including the trauma of the Oklahoma City bombing of the Murrah Building

in 1995. He says that the heart and soul of the people of the Integris Health System are an inspiration to the life of Oklahoma City. He cited the work of the people of Integris at the Western Village Elementary School in an April 20, 2002, editorial in his newspaper entitled *When the people make it work*:

> In 1997, in the words of a report, the neighborhood around Western Village Elementary School was experiencing transition and negative social indicators – property values down, crime up; homeownership down, dropout rates up; academic performance down, absenteeism up.
>
> The area around the school is about 92% black, and 87% of the youngsters qualify for free or reduced cost lunch programs. Both student and teacher turnover rates were high. There had been five principals in 8 years. There was talk of closing the school.
>
> Then, after historic legislation by Gov. Frank Keating and school Superintendent Sandy Garrett, Integris Health System took over responsibility for the school.
>
> But now, through the good work and leadership of Ira Schlezinger, Planning Director of Integris, Tobi Campbell, the Integris Director of the school, and

Peggy Brinson, the new school principal, and the entire family of Integris employees, we have seen a wonderful turnaround at Western Village. In 1998, before Integris took over, Western Village School had 5 of 7 subjects (science, reading, writing, history, and art) in the bottom 10% of Oklahoma City's 65 elementary schools. In the aggregate it was the lowest testing school in the city. Two years later, after the people of Integris got involved, Western Village was in the bottom 10% in only one category, close to the top third in two categories (art and math), with all other scores gone up dramatically. Data, and a former teacher's eyes, indicate learning is taking place. This is not a miracle. It is progress.

Because of the efforts of the people of Integris, progress is also taking place in the neighborhood. Over the past 3 years, neighborhood crime rates have gone down from 497 per year to 144. Robberies are down more than 60%. Burglaries and auto theft are down 80%.

Money helps, you bet. But it's the people who make it work.

Dr.Charles Morgan, Director, Stroke Center of Oklahoma

Dr. Charles Morgan understood, as did the leadership of Integris, that Oklahoma had one of the nation's highest

incidences of strokes and that something needed to be done. Together, Dr. Morgan and Integris Health System designed and developed the new Stroke Center of Oklahoma, which opened in March, 2002. The reputation of Integris for its cooperative attitude in working with physicians was key in his decision. Dr. Morgan states,

> The Board of Directors and the administration of the system are known by physicians throughout the region as being ones to enable physicians to practice leading-edge medicine. Because of the sense of mutual trust and respect, and because of their mutual commitment to respond to a community health need for education, treatment and rehabilitation of stroke victims, the physicians and Integris have planned and developed the new Stroke Center of Oklahoma.

Judy Hoisington, Board of Directors Liaison

Judy Hoisington is the Integris liaison between the Board of Directors and the management and staff of the organization. She has served in that capacity for over 30 years and is called "the institutional memory of Integris." Judy has observed the maturation process of the organization over the decades and is gratified with the deepening and strengthening of the spiritual and service commitment the board members feel toward the community.

Judy has a comfortable office adjacent to Stan's. The atmosphere of the office is quiet and relaxed, and she speaks with a smile in her voice as well as in her eyes when she recalls a recent meeting of the Board of Directors.

> Recently, for their monthly Board of Directors meeting, which is always here in the boardroom of our corporate offices, Stan took the entire board on a bus out to our Integris Mental Health Hospital Campus. The board had authorized the establishment of the mental health service in response to the need of mentally disturbed teenagers. The board members toured the patient care areas with Stan for an hour before their formal board meeting. That was a very emotionally moving hour for us all, to see and feel the plight of the patients, and to know that each of us was doing something tangible and meaningful to correct some ills of society through that mental health service.
>
> It seemed like a deeply spiritual experience, to be extending a hand of love and respect to patients incapable at that moment of helping themselves. I think the entire Board of Directors that night deepened their resolve to serve the community even more than before. At that moment I was amazed at our

collective feeling, and pondered the increased depths of commitment we might some day reach with this kind of leadership.

Judy also recollected another of the instances of leadership by example that Stan routinely exhibits.

> Stan has a tradition of doing several "work days" each month, when he goes to a patient care unit in different ones of our hospitals and spends the day working along side of the housekeepers buffing floors in one hospital, serving meals with the dietary staff in another, making beds with the nurses' aides in yet another. Stan is visible to every level of employee and his love for what we are collectively doing for the community of Oklahoma is palpable.
>
> It almost seems like a ministry to him, and therefore to all the rest of us. This is one of the best-known men in the state of Oklahoma, out there mopping the floors and serving the patients. That is a very noble thing to do and we are all so blessed to have a person like that leading us.

Ira Schlessinger, Integris Director of Planning

Ira has been an Integris employee for 20 years. About Stan, Ira says:

One of the quiet, less visible ways that Stan leads by serving at Integris is through his fiscal integrity and conservatism. Stan watches the financial statements very carefully and asks a lot of questions if we miss our monthly budget in any category. As a long-range result of his financial management, we are in the best financial shape ever, despite the federal cutbacks in Medicare. Our bond ratings are in excellent shape, and our financial health enables us to better serve our community year after year.

Another indicator of solid performance is that our employee turnover rate is below 20%, the best of all the hospitals we benchmark against. That implies that our hospital family feels very good about the culture of Integris and enjoys their relationship with fellow workers. Obviously, we will never have our turnover rate at zero because of death, retirement, spouse transfers to other cities, and in some cases terminations. But on balance, we feel very blessed by our organizational mission and leadership and folks just like to stay and work here.

Thus the servant-leadership of Stan Hupfeld, his Board of Directors and his management team are making a

significant impact on the status of health and the quality of life for the people of the state of Oklahoma.

Case Four

Valley Baptist Medical Center

The Valley Baptist Health System is comprised of the 525 bed Valley Baptist Medical Center and 12 other health facilities and clinics, located in Harlingen, Texas in the Rio Grande River Valley on the border between the U.S. and Mexico. The two county area served by the Valley Baptist Health System had a population in the year 2000 of 926,939. The ethnic distribution is 81% white, 1% Asian, 1% black, and 16% other. Of the white population, more than 50% are Hispanic. Valley Baptist, with its 2,346 employees is the largest employer in the region.

Ben McKibbens, FACHE, has been CEO of Valley Baptist since 1977. Ben has worked with the Valley Baptist 15 member Board of Trustees to refine and describe the mission of their organization:

> Valley Baptist Medical Center is a multi-purpose community service institution organized to perform health, religious, charitable, scientific, literary, and educational programs.
>
> In accordance with the teaching and healing of Christ, the Valley Baptist Medical Center and

affiliated organizations are committed to enhance the health, wholeness, and dignity of those we serve and;

To minister to the whole person - body, mind, and spirit - through the experiences of disease, injury, disability, and death;

To promote individual and process performance to continuously improve the quality and value of services provided our patients;

To manage resources to further improve our financial strength and ability to fulfill our mission;

To attract well-qualified professional employees by creating a challenging environment;

To pursue health-related education and research to improve performance;

To protect and improve the integrity of the voluntary healthcare delivery system;

To manage our civic responsibilities by participating in community activities and by supporting local commerce as a health resource and major employer.

Ben McKibbens, Valley Baptist CEO

Background. Ben McKibbens was born in 1941, the second son of Dr. and Mrs. Thomas McKibbens. Both of Ben's parents are now deceased, but his father was Ben's hero growing up.

Dr. McKibbens was greatly loved by all the churches he ministered to for over 40 years in Mississippi. Ben's younger bother, Tom, also became a minister after graduating from Harvard Divinity School and is now a pastor in Boston. Ben states that he also had a twin brother who died at birth, a fact that Ben believes contributed to his own commitment to work a little harder and go a little further in helping other people. He says that perhaps he was trying to make up for the life his baby brother never got to lead, and to make up for some of the pain his parents felt at his loss.

Ben said that he was always a large kid when growing up in Laurel, Mississippi. His heroes were all football players and he wanted to be just like them. So in high school, football was first in Ben's life, and girls were second. He had many girlfriends. Since, he reports, the place the girls hung out on Sunday nights was the First Baptist Church where his father was pastor, that's where Ben hung out as well. His parents taught him to behave himself and do the right thing. They had strict moral standards and Ben abided by those standards so as not to hurt his parents.

Because of Ben's popularity as an athlete and at school, he was always an unintended leader. Because of the

strict code of conduct learned from his parents, Ben was greatly admired and respected by his friends at school.

Ben was given an athletic scholarship to play football at Mississippi College, the Baptist College in that state. He had an excellent experience at college and made many lifelong friends among his football teammates. According to Ben, they guys were an outstanding group of young men, and many of them went on to have enormously successful careers in business and industry, medicine, ministry, education, and social work. Ben was one of the youngest members of that great team and always looked up to the standards of excellence set by his older teammates. He felt committed to excel in everything he did, lest he let down his peers.

Then he met Loren, who ultimately became his wife, friend and partner for life. In 2002 they celebrated their 40th wedding anniversary. About Loren, Ben says:

> I met Loren at camp one summer. I thought she was the most beautiful girl I had ever seen. She was spectacular and I was smitten. And now, these years later, I can say that Loren has been a great success in life. And so, with Loren on the one hand, and my teammates on the other, and great parents all my life, I had the good fortune of being surrounded by outstanding people. They have always been an

inspiration to me. And maybe even a competitive challenge to me to do as well in life as they all did. That's why, I think, I was always the first one at work in the morning and the last one to leave at night. I wasn't going to do less than my best in everything I did, or else I would let all those folks down.

Ben goes on the discuss how he made the transition from college to a career in hospital administration:

To earn some spending money in college I worked on a construction job building a new Medical Center in Jackson, Mississippi. It was the new Hinds County Medical Center. I was fortunate to have met Mr. Dick Malone, the first CEO of the hospital. The opening of the new hospital coincided with my graduation from college and Mr. Malone offered me a job working in the personnel office of the hospital. Mr. Malone taught me that 60% of the expenses in running a hospital are in payroll, so that was an important job.

I went to night school and studied business and law and earned an MBA. After several years of working in the hospital for Mr. Malone, he called me in one day and told me he thought I had the talent to be a

hospital CEO someday, but that I would need a Master's Degree in Health Administration to do that.

I was very interested in the idea and flattered that Mr. Malone would think so highly of me. But going back to school would require a large sacrifice because I would have to leave my job and move to the University of Alabama in Birmingham, the best school in that region for Health Administration. That was the hardest thing I had ever done, to go off and leave my state and compete for grades with "big-time" students in a big-time university. But again, I was determined to not let down Loren or my parents or my teammates.

But I was surprised by how well I did in the larger arena of the University of Alabama and, at age 30, that gave me the boost of self confidence that made me know for sure that I would become the CEO of a large health system some day. I just didn't know where or when, but I did feel that I was ordained to do that and was fully committed to achieve that objective.

Ben's first administrative position after his master's degree was at the Mobile Infirmary in Mobile, Alabama. Pete Bramlett was the CEO there and was a very good mentor for Ben. Ben reports that Pete had a great ability to paint verbal pictures of projects he thought needed to be done at

the hospital, and to inspire even the most sophisticated business leaders to rally around his idea and help him bring it to fruition. Ben says about Pete Bramlett:

> Pete really knew his business. He understood the needs of the community and he understood what the hospital could do to help meet those needs, what it could afford to do, what was right to do, and what the organization had the will to do to make things better. So I learned from Pete that first you must understand; know your business, know your community, know the context of time and place of your hospital, and understand the attitudes of the people who you need to help you get the work done. I learned from Pete to ask a lot of questions and to listen carefully. Pete always told me that God gave me one mouth and two ears, thus we are intended to listen twice as much as we talk.

After a good 8-year administrative experience at Mobile Infirmary, Ben was selected to be the new CEO of the Valley Baptist Hospital in Harlingen, Texas, in 1977 at the age of 37. That was Ben's first opportunity to be a CEO. After 25 years in that role, Ben will retire at the end of 2002 and return to the shores of Mobile Bay to live in the little town of Fairhope, Alabama.

Practice as a servant-leader. Moving to Harlingen, Texas, felt to Ben like moving to a "mission field." Harlingen is in the Rio Grande Valley on the Texas border with Mexico. There are a number of very wealthy white farmers there who grow cotton, citrus, and soybeans. But the majority of the people in the Valley are poor; many are Hispanic and speak no English, and many are in poor health. Ben describes his first days there:

> It was a wonderful leadership opportunity for me to listen a lot, learn about the health needs of the community, to think carefully through the various new healthcare projects and services we might plan and develop to serve the needs of the poor. At one time when I first arrived in the Valley, it was reported that we had the nation's highest rate of leg amputees, due to the high number of advanced cases of diabetes, a treatable disease which had been ignored by the people, basically because of lack of knowledge. And so I remembered Pete Bramlett's lessons about drawing verbal pictures of possible facilities and services and getting the wealthy inspired to help serve the needs of the poorest of our community.

One of the outstanding services established at Valley Baptist Health System by Ben McKibbens is the new

University of Texas Medical School Rural Health Center and Residency Program (see Appendix G). Having learned the leadership lesson of listening, Ben listened and understood the need for graduate medical education in the Valley and conceptualized the design and construction of the new University of Texas Academic Medicine Family Practice Clinic on the Valley Baptist Medical Center campus. Staffed by the faculty of the medical school and by medical residents in the family practice program, the Medical Center now has 24 hours a day, 7 days a week outpatient clinic serving the health needs of the poorest of the poor.

Now, looking back on a wonderfully rewarding career in health administration, Ben shared these thoughts:

> I think that organizations in the faith-based hospitals like Valley Baptist are intended to be servants of the communities where we live. And if they do their job well, then they will be successful in their service. But the level of success probably depends of the level of leadership each organization has. So I think that the leaders of servant organizations are really servant-leaders. I think that you could probably say that I am one. At least I hope you could call me one. I intentionally serve by trying to help my employees and boards and medical staff to

grow in their jobs and responsibilities. If I do that well and inspire them about the significance of the service opportunities they have and encourage and lead them, then our community will be better served. After all, that's the only reason our hospital exists – to serve the community.

Potential downside of servant-leadership. Ben is a very confident, obviously successful leader, though he would never admit it. While he has led his organization for 25 years as a servant-leader, he is quick to point out the potential problems that surface for a servant-leader from time to time:

I have noticed that as time goes by in an organization there seems to be an unspoken pressure for the servant-leader to demonstrate that he "walks the walk." Maybe it's the same pressure the great home run hitter, Mark McGuire, felt last year as he was marching toward the home run record. I feel that people are watching me to see if I can "really do it" all the way to the end of my tenure here.

It's an odd feeling – a sense of pressure, just to be myself. Too, I feel a great sense that people depend too much on me because they see me as their leader at this point in my career. I'm glad they do in

a way, but it feels like they have unrealistic expectations for me to set the exact moral and ethical standards for them. I will die trying to do that, but it does feel oddly a little heavy toward the end of my career. I feel that being a servant-leader right now at this point is very time consuming, to care for everyone's "last minute" requests before I leave at the end of this year. I'm not complaining; just telling you that it does feel oddly heavy for me right now. A little bit like the bull-dozer with its blade set too deep and it is working harder to keep pushing more and more stuff in front of him.

Advice to health administration teachers and students. Ben says that his experience in leaving his home state for the first time and going off to graduate school at the University of Alabama was a watershed moment in his life. He was afraid he couldn't compete with the "big city boys from the big fancy colleges." After the University of Alabama, he felt so confident and so sure of himself and his career directions that the rest seemed easy. Ben remembers he had some tough teachers at UAB, but they always encouraged and inspired him and he will ever be grateful to them for their insistence on academic excellence. He learned there to not give up on difficult

assignments, to stay awake at night until the assignment was finished. His personal competitive drive for excellence was honed in graduate school and he learned that, indeed, if he was the first one there and the last one to leave, and he worked hard and smart in between the coming and going, that he not only *could* succeed, but *would* succeed. It was a great confidence builder.

Ben gives the following advice to graduate students:

> When you meet people, anyone from a maintenance worker to a nurse, to a physician, to a board member or another member of the management team, take their hand in a firm handshake, not too hard, but firm enough to know you are a solid and focused person, then look that person directly in the eye the entire time you are talking to him. I think I've always known that, learned it from my father I think, but I had it reinforced recently when President Bush visited our hospital and I stood next to him while he was greeting our hospital physicians and employees. I noticed that no matter who it was, rich or poor, tall or short, woman or man, President Bush smiled while he talked to them and never took his eyes from their eyes they whole time the were engaged. It was if that dietitian was the only other person in the room. That's a way to

make people feel like you care about them and what they have to say.

Be warm with people, be engaged, be appreciative of them and their contributions. Have a warm and firm handshake as long as practical during your conversation, smile in your eyes, and stay engaged only with the person you are talking to at that moment.

I read recently a piece in the January, 2001 copy of the Harvard Business Review by Jim Collins called *Level Five Leadership.* It's about leading with humility. I couldn't help but be touched by that. It reminded me so much of my father, who I admired so much. He was a great man and greatly loved and admired. But he was the most humble man I ever knew. I wish I could be like that.

I think Collin's article ought to be required reading for all graduate students in leadership. He said that there are many great leaders in business and industry, but those who he thinks are the greatest are ones who exhibit a great humility and a quiet, but powerful, will to achieve. Collins says that it's almost counterintuitive, to be humble but have the will to achieve. But those who do it are the most

> successful and the most respected and most easily followed by others as they strive to achieve their goals.
>
> And my final word to today's graduate students is to "hitch your wagon to a noble cause." Set your sights on doing something great for your neighbors. Do it with gladness and with all your might, with great good humor and sincerity, but do it with humility, without recognition for yourself. That's the pathway to greatness as a servant-leader.

Bob Duncan, Banker, Chairman of the Valley Baptist Board of Directors

Bob Duncan has been a civic leader in the Rio Grande Valley for over 2 decades. He is the chairman and CEO of a large bank in Harlingen, and has chaired the Chamber of Commerce and been elected to the county school board. Bob is committed to the service of all the people of the Valley and, from that commitment, now serves as chairman of the Valley Baptist Medical Center Board of Directors. About Ben McKibbens Bob says:

> Our Board of Directors feels so fortunate that we have had Ben McKibbens as our CEO for these past 25 years. Ben has been a God-send to us and has helped lead this organization to being a great one. He truly

has the heart of a servant. He came here to listen and to learn about the needs of our people in the valley. He has cared for them and for us with every fiber of his being and in doing so has developed some magnificent programs for us all. He has set a wonderful benchmark for our organization to work from for our future growth.

One of the new programs Ben has developed is the "*Su Clinica Familiar,*" Your Familiar Clinic, a free clinic for our Hispanic farm workers and their families. Ben organized this as a joint venture with our local Catholic diocese and with the University of Texas Medical School.

The Rio Grande Valley is indeed fortunate to have had the leadership of Ben and Lauren McKibbens these 25 years. They have been a wonderful blessing to the lives and health of everyone they have touched.

Too, Ben has been an excellent financial manager. He will be leaving our organization in the best financial position we have ever had.

Shannon Palmos, R.N., Director, NeoNatal Intensive Care Unit

Shannon says that she has worked at Valley Baptist for 11 years. When asked about her experiences there, Shannon said:

> There are many things I love about working here. I have been given the opportunity to grow and mature in my skills. I treasure working with our team to not only save lives, but to improve the outcomes of our tiny patients when the odds say otherwise.
>
> At the heart of our mission is doing Christ's work. We are the hands of Christ that he uses to heal. Our hospital does not answer to stockholders on Wall Street. We are not about making money. We are here to care for the sick no matter who they are, where they come from, or what their financial status. This is what I love most about nursing at Valley Baptist Medical Center – the chance to do what God has called me to do.

Rev. Ed Perez, Director of Chaplain Services, Valley Baptist Medical Center

> I am responsible for the clinical pastoral ministry program at VBMC. That means that I coordinate the efforts of all our chaplains as they visit with patients in emergency departments, surgery waiting rooms, cath labs, patient rooms, etc. We are not a

revenue producing department. No one is billed for our services. That means our budget is purely a gift to the patients.

I remember when I was invited to Mr. McKibbens' luncheon he was giving to welcome the new Catholic Bishop to our community. Mr. McKibbens went to great length to explain how VBMC is a not-for-profit health ministry to the people of the Valley. He explained that those who could pay were sent bills covering a fair charge for the services rendered, but for the large Hispanic community, many of whom couldn't pay, they are and always will be treated with the same quality of care, given the same tests and surgical procedures, and the same quality of patient rooms as the wealthiest of patients.

That's our philosophy. All of our patients, black or white, red or brown, all are God's children and we take equal care of them all. I was very impressed with Mr. McKibbens' sincerity when he was explaining our mission and philosophy to the Bishop. It made me very proud to be a part of such an organization, quietly led in a dignified way by a real servant of God.

Eddie W. Caughfield, Rancher

Mr. Caughfield is a life-long resident of the valley, having been born and raised in the mesquite country of south Texas. Mr. Caughfield owns a large ranch on which he grows cattle, cotton, and soybeans. Mr. Caughfield is also a life-long Baptist layman and a deeply spiritual man. Eddie was there before the Valley Baptist Medical Center was opened on its present site in 1965. He was there when the hospital Board of Directors selected Ben for its CEO in 1977. Eddie says:

> Down through these years with Ben I've never had a more faithful friend. Ben's a good boy, a straight shooter. He's been my huntin' buddy out here on the ranch for many a year. When it comes to work, Ben's heart's in the right place in serving the Lord. Every thing he does is in the best interest of this community and the hospital. For such a big ole boy, there ain't a mean bone in his body. His mamma and daddy were really proud of Ben, too. Ben always reminds us that God said to "Love your neighbor as yourself," and that means taking equal care for everyone, rich or poor at the hospital. And my mamma taught me that "God is love." I recken' then that God's right proud of our Bennie here, cause Bennie's

teaching all of us to love our neighbor through Valley Baptist Medical Center in Harlingen, Texas.

In summary, at the Valley Baptist Medical Center in Harlingen, Ben McKibbens will have left a strong legacy of servanthood when he retires later this year. Future leadership will have a worthy model to consider as Harlingen continues to grow and become a better, healthier community.

Conclusion to Profiles In Servant-Leadership.

This chapter has reviewed the personal histories, the value systems and the work of four CEO exemplars of servant-leadership in American not-for-profit hospitals. The observations and comments of colleagues of the four CEOs have also been recorded in order to corroborate and enhance the trustworthiness of the data.

The concluding chapter of this study will discuss the findings and will make recommendations for further research in servant-leadership.

Chapter Five

Discussion of Findings

Introduction

The purpose of this multi-site case study was to complete an empirical examination of the servant-leadership practices of four CEOs of not-for-profit hospitals in America. A panel of judges assisted in the selection of the four CEOs, who were selected from a longer list of CEOs perceived as exemplars of the characteristics of servant-leadership in not-for-profit hospitals.

The CEOs chosen for the study were visited at their hospitals, each in different cities. They were each interviewed at length and their leadership practices were observed at work in their various leadership functions for a period of 2 days. The CEOs were asked to describe their feelings about the possible barriers and obstacles to servant-leadership as well as potential difficulties that might arise from their practice of servant-leadership. They

were also asked to give their advice to teachers and students of healthcare administration, which they were pleased to do.

In addition to the interviews with the four CEOs, interviews were also conducted at each site with members of the respective boards of directors, medical staffs, patient caregivers, other executives who work with the CEO, and members of the community who were familiar with the work of the CEO and of the hospital. A total of 16 interviews were conducted at the four sites. The interviews were tape recorded and transcribed for future reference. Various artifacts were collected at each site, such as in-house newsletters, hospital publications, newspaper articles regarding the hospitals, and minutes of various meetings of the hospital boards and committees.

Subsequent to the visits to each site and the interviews conducted there, follow-up interviews were conducted with each CEO and other participants by telephone. The purpose of those telephone interviews was to seek clarification of various items of interest, and to corroborate initial researcher perceptions and interpretations of the data from the on-site interviews. Those telephone interviews were also tape-recorded. The

tapes of all conversations have been retained by the researcher for future reference.

The participants at each site in the study were extremely helpful and very responsive in sharing their thoughts, their values, their experiences, and their outcomes. The CEOs were willing to give their advice to teachers of health administration and were glad to offer advice and suggestions to students of health administration.

Discussion

Each participant was asked to describe their personal life journey and what influences they felt led them into servant-leadership. They were asked what servant-leadership was like in their own organizations. They were asked to describe how they practiced servant-leadership, and were asked as well to discuss some of the problems, barriers, or negative aspects of servant-leadership. Some of their responses to those questions follow:

Life's Journey Toward Servant-Leadership

All four of the CEOs interviewed in this study came from family backgrounds where their parents were reported to be happily married to life-long partners. The homes in which the CEOs were raised were reported to be solid, stable and happy environments. According to the

respondents, the parents of all four CEOs were very spiritual people. The fathers of three of the four CEOs were Protestant ministers. The fourth had a mother who was a very devout Catholic lay person. Thus all four CEOs learned spiritual values at their "Mother's knee" from earliest childhood. Those values seemed to have become lifelong values that shaped their lives and careers.

Athletics seem to have been at the center of the early lives of three of the four CEOs. Stan, Dan, and Ben were athletes at the university level, each having outstanding accomplishment on the football field, as well as in the classroom. Each of the three reported that the attraction of athletics, while many faceted, revolved around the idea of brotherhood with teammates and the sense of teamwork required by football. There was a central, well-practiced strategy for moving the ball down the field against a competing team, and a commitment to pulling together as a team for the purpose of winning games. Each player on the team had his own assignment and responsibility for each game, and no one player was more important than the others, except perhaps for the quarterback, who would fit into Greenleaf's primus inter pares, the first among equals (1991, p. 112). The affinity for organized athletics in

school laid a solid predicate for later attraction to the executive life in healthcare leadership.

Two of the three commented on the inspiration of their football coaches in providing the impetus for high achievement, teamwork, and the pride of victory. They had hoped someday to be in a position to inspire people toward that same sense of teamwork and victory in their careers. That opportunity was discovered in healthcare leadership, employing the characteristics described by Kouzes and Posner (1995) as sharing a vision, encouraging the hearts of followers, modeling the way, and enabling their followers to become all that they can be.

Also noteworthy, is that three of the four CEOs in this study completed college during the Vietnam War and were commissioned as 2nd Lieutenants in the Army Medical Corps. Russ, Stan and Dan all got their first experience in hospital administration in their training at the Brooke Army Hospital in San Antonio, Texas, the headquarters of the Army Medical Service Corps.

All three had their first experience in leading hospitals under the adverse circumstance of the battlefield in Vietnam. They each report that being involved in the daily life and death struggles of the battlefield hospital was a life changing experience for young men only recently

graduated from comfortable and safe college environments back home in the United States. The three men report that the war had important and lasting effects on their views of the sanctity of life, the tenuous nature of life itself, and their own personal commitments to care for those in pain and those in traumatic circumstances.

In summary, the three felt that their experiences in running hospitals on the battlefield played a major role in their decisions to follow hospital administration as a career. Those experiences also conditioned in these leaders their sense of love and compassion for their patients.

The Manifestations of Servant-Leadership in the Hospital

The four hospital sites visited in this multi-site case study were all led by CEOs who are considered servant-leaders. While the hospitals are each located in different cities, serve different populations, in different climates, they all seem to share in common a happy and optimistic organizational culture. Walking the halls of those four hospitals gave one a sense of well-being. There were tasteful and thoughtful wall hangings intended to uplift the spirit through reminders of spiritual beliefs, symbols of recognition for service to the hospital from outstanding leaders of the community, and acknowledgement of employees who were recognized for exemplary service to the patients.

The employees, physicians, and volunteers were all cheerful and helpful to this visitor, they all seemed to exhibit a sense of joy in their work and a love and respect for each other and for their work. They gave the researcher the impression that we were all privileged to be there together in that place. If there is one word that might distill the essence of the cultures of each of these four sites, it is "love."

Fundamental Concepts of Servant-Leadership

At each of the four hospital sites, the servant-leaders had instituted programs manifesting each of the three fundamental concepts of servant-leadership: service, stewardship, and spirituality.

Service. In Little Rock, Russ instituted his annual Operation Care, a free health program for the entire city of Little Rock, done for a long weekend every fall in conjunction with the 148th Army Evacuation Field Hospital of the Arkansas Army National Guard. This program provides free health screening and treatment, food, clothing, and medical care to the poor, homeless, and disabled every year. The program was instituted by the family of Baptist Health employees and physicians out of a spirit of service and care for their less fortunate neighbors in Little Rock.

In Oklahoma City, as a service to the community Stan and his organization adopted a school, The Western Village Academy, in the poorest part of town. The school was adopted out of the belief that education is the key to progress in the inner-city, and that children are likely to have wholeness in health when they are in balance physically, spiritually, and mentally. So Stan and Integris went to work to stabilize the neighborhood, create a safe and inviting environment for the students, and to challenge the students academically. As a result, after 3 years, the test scores of the students rose dramatically, crime in the neighborhood dropped significantly, and teacher and student turnover has been minimized. All of this because of the attitude of service demonstrated by Stan and his organization.

In Harlingen, Ben and Valley Baptist have created a new service for the Hispanic farm workers and their families. The new *Su Clinica Familiar*, or Your Familiar Clinic, has been opened, staffed, and equipped by Valley Baptist Medical Center as a free medical service to the non-English speaking poor. The nursing and technical staff of Valley Baptist are honored and happy to serve in that clinic on a weekly basis.

In Houston, Dan and the Memorial Hermann organization have provided a very special service to their own employees. In the June, 2001 flood, the worst in the history of Houston, over 800 of their employees lost their homes, their cars, their clothing, and most of their other possessions. But Dan and his organization served the needs of their employees with unconditional love, through gifts of cash, food and clothing to help them reestablish their homes and their dignity.

Stewardship. In Oklahoma City, Stan and the Integris organization have adopted as part of their organizational philosophy a program called RETURNSHIP. The program gives annually 10% of their net earnings to community projects. This 10% is above all the daily charity work done by the hospitals for those who cannot pay. RETURNSHIP is an amount of money that goes to various charities in Oklahoma, like the homeless shelters, and various Integris employee-adopted projects for the poor.

In Houston, Dan and the Memorial Hermann organization have adopted a board policy of tithing 10% of their net earnings to charity. Again, these are monies that come from the net earnings of the corporation, after all revenues and the operating expense of care of the poor are netted out. This is 10% of net earnings. Dan says that the Memorial

Hermann net income continues to grow larger year after year, thus their charitable contribution from their organizational tithe continues to grow as well.

In Little Rock, Russ and Baptist Health have also been good stewards of their assets. One of the ways that Baptist practices stewardship is through their health clinic at the African/American St. Paul AME Zion Church, a free clinic for a minority neighborhood in their city. This free clinic is a reflection of the Baptist Health commitment to "Love your neighbor as yourself."

Spirituality. The word spirituality implies an inner search of meaning or fulfillment in life (Neal, 2000). All four CEOs in this study have placed spirituality as the central tenet of their personal lives and their organizations.

In Houston, Dan has organized the Spiritual Leadership Institute for all the managers of his organization. Together with nationally known academics, writers, and lecturers in the field Dan has designed a year-long program in spirituality in order to help the entire leadership team realize their deepest potential as human beings. As a result of the emphasis on spirituality at Memorial Hermann, the visitor there perceives an air of calm assurance from the employees, signified by their work in the noble task of

healing for their community. There is an atmosphere of quiet joy, peace and hope, and a clear sense of hope and optimism for the future.

In Oklahoma City, Stan models the spiritual dimension of interconnectedness (Mitroff & Denton, 1999) with everything and everyone around him. Stan is out on the patient floors of his hospitals mopping, painting woodwork, serving meals to the patients, and helping nurses' aides change sheets and empty bedpans. He does this in the spirit of love, joy, and compassion, with deep humility.

In Little Rock, Russ models spirituality for his organization by looking more and more deeply into the nature of life and health. He seems to act from an ever higher level of consciousness (Gunn, 2001). Russ exudes an energy that seems to flow from the spiritual understanding of life that gives leaders courage, curiosity, decisiveness, calmness, confidence, and loyalty. The modeling of those characteristics seems to flow through all of the participants interviewed regarding his leadership. They each express admiration for the way in which Russ leads by spiritual example.

In Harlingen, Ben is similarly respected for his deep love for his organization, his staff, and the community they serve. Ben models deep humility in his daily work. He

greets every worker with a sense of reverence for them as individuals, for the spirit of God that resides in them, and for the noble work in which they are all engaged. Ben is also deeply respected for his honesty and for his service to others, all dimensions of spirituality (Beasley, 1997).

Characteristics of Servant-Leadership

Spears (1998) outlined 10 characteristics which he says are central to the lives and work of servant-leaders and which are important to the development of future servant-leaders. The 10 characteristics are listening, empathy, healing, awareness, persuasion, conceptualization, foresight, stewardship, commitment to the growth of people, and building community. All 10 of these characteristics were evident in varying ways and in varying degrees in each of the four CEOs in this study.

1. *Listening* was most readily apparent in the styles of Russ and Ben. They both have note pads at hand for their conversations with fellow workers and tend to listen intently and take note of the conversations. It's through asking questions and listening well to the answers that both these CEOs have understood the needs of their communities and their employees.

2. *Empathy* was common and apparent in all of the CEOs. They were empathetic to the plight of the poor in their communities and to their patients and the families attending to them. There was a sense that their followers were accepted and recognized for their unique spirits.

3. *Healing* was an attribute also common to the CEOs. They each report that they have chosen health administration as their special ministry in life because they feel they have a special calling, or gift, for understanding their communities, followers, and organizations, as well as a desire to help them be whole, or healed, to live productively and in harmony.

4. *Awareness* is a particularly strong attribute for Stan and Dan. Stan was aware of the plight of the poor in the neighborhood around Western Village School and he acted on their needs in ways intended to help make the children whole. Dan was aware of the plight of his employees after the Great Flood of 2001 in Houston. He acted in a very generous way to help those employees back to wholeness through helping them buy homes and cars to replace their losses. All four CEOs have that gift of awareness, but the accounts of Stan and Dan come to mind as extraordinary.

5. *Persuasion*, rather than the use of coercion or power, is an attribute easily exhibited by Ben and Russ.

They are both very quiet, soft spoken leaders who have a special way of building consensus around their ideas, although all of the CEOs in this study were very articulate and persuasive.

6. *Conceptualization* is a gift that Stan exhibited so well in his Western Village School. Dan conceptualized the Spirituality Leadership Institute as a way to consolidate the culture of his organization around the values he held so deeply. Russ conceptualized his Operation Care as a way in which his organization could best reach and serve the poor and the homeless in his community, and Ben conceptualized his *Su Clinica Familiar* to serve the poor Hispanic community of Harlingen.

7. *Foresight* is a characteristic common to all of the participants chosen for the study. The consistent growth and considerable financial success of their organizations speak highly of their foresight. These CEOs seem to understand and appreciate the past of their communities and their organizations, the realities of the present and the consequences of their decisions for the future.

8. *Stewardship* is also a characteristic very evident in the CEOs. They subscribe to the idea that stewardship is founded on the principles of service, independence, initiative, and the principle of accountability (Secretan,

1999). Their organizations tithe 10% of their net incomes to serve their communities and they do it in a very quiet, unassuming manner. They all believe that stewardship of their organizational assets, human assets, financial assets, and physical assets, is central to who they are as servant-led organizations.

9. *Commitment* to the growth of their people is also central to all four of these CEOs. Greenleaf (1970, p. 7) suggested that servant-leaders have a desire to help their people grow, stating, "The best test is: do those served grow as persons; do they, while being served, become healthier, wiser, freer, more autonomous, more likely themselves to become servants?" There are generous employee scholarship funds at the four organizations, one example of the encouragement of growth. The Integris idea of offering scholarship help to members of gangs in the Western Village School neighborhood is an Oklahoma City example of helping people grow. The staff members who were interviewed at each site all spoke very highly of the organizational commitment to the growth of every individual in the organization.

10. *Building community* is also evident in the life and work of each CEO. They have built their organizations and have instilled in their boards and management and employees the idea of making their communities better places, more

healthy, complete, and whole places in which to live and to raise children. They have committed to the concept of improving the status of health and the quality of life for every citizen of their communities.

Lessons Learned

There were several reasons cited for the need of this study of servant-leadership. They were as follows:

- Hospital CEOs are beginning to explore servant-leadership as an institutional philosophy and operating model (Brumback, 1999).
- The knowledge base of servant-leadership needs to be broadened and strengthened for curricula in post-secondary level healthcare administration programs in the United States.
- Servant-leadership appears to fit hospitals because it provides a theoretical and ethical basis for trustee education.
- Servant-leadership has potential for encouraging hospital employees to become more involved in community leadership.
- It is helpful to explore the extent to which servant-leadership tends to encourage continuing employee professional development and a culture of lifelong

learning among hospital employees.

- The use of servant-leadership in programs relating to personal growth and transformation could be useful to CEOs as well as staff.
- Contributions to the knowledge base in healthcare leadership education are needed.
- An attempt was made to understand the origins of, interest in, and commitment to, the concept of servant-leadership for each of the CEO participants.

The data from the study answers those questions.

First, there was strong evidence at each of the four sites of a group-oriented approach to decision making. The CEOs listened empathetically to their management team, used consensus building rather than coercion to reach decisions and were very sensitive to the ideas of others as they adopted new projects and services to build their communities and organizations.

Second, the view of servant-leadership flowing from the data gathered in each case lends valuable insight and a viable model, which should be of interest to those who teach health administration, as well as to the students of health administration. Servant-leaders seem to have a special affinity for both formal and informal education and

are always ready to participate and to offer advice and counsel.

Third, the data from all four sites in this study is rich in concepts and ethical material, which will be of use in the continuing education of boards of directors. The examples such as the Spiritual Leadership Institute and the Western Village Academy serve as models for other boards of directors to consider in their own organizations.

Fourth, we witnessed at each of the four sites strong evidence of employee involvement in community activities. The Integris employees were extremely involved in the Western Village Academy. The Memorial Hermann employees were active in community health clinics in the poor neighborhoods. Baptist Little Rock employees work throughout the year preparing for their annual Operation Care project for the poor of their city, as do the employees of Valley Baptist in the work at *Su Clinica Familiar.* Community involvement is a core element in the lives of each of these four organizations.

Fifth, as clearly demonstrated, the CEOs of each of the four organizations have a deep and abiding commitment to continuing professional education for employees, physicians, and members of their boards of directors.

Sixth, the data does suggest that the impetus for the servant-leader values of these four CEOs was learned at their mother's knee. These four leaders each came from solid nuclear families with strong values of love and compassion, hard work and courage, care and concern for the poor and the sick, and a love for their fellow workers and for their communities.

Further, it seems that those basic values learned in childhood were strengthened and expanded in the education process, each remembering at least one professor in their graduate programs in health administration who emphasized those core values in leadership. Three of the four experienced the trauma of war in early adulthood, which served to deepen and strengthen their commitment to a lifetime of service in health administration.

Another lesson learned in these four organizations deals with the issue of financial viability. As one board chairman said, his organization had learned that they do well by doing good. All four of these organizations have done good things for the poorest citizens of their communities. Those four organizations have also been led in very intelligent ways philosophically, organizationally, and financially. The lesson here is that these four organizations, while being led by servant-leaders have done

exceptionally well financially. They have surpassed the financial and economic expectations of the tax exempt bond rating agencies and, as a result, have even more resources to pour back into additional services for the community.

Answers to the Questions

Thus we come, finally, to answer the questions asked of our participants at the four sites. As they lay the predicate for the major question of the study, the answers to the three subordinate questions will be explored first. *How Do You Practice Servant-Leadership? What Are Some of the Barriers to Effective Servant-Leadership*?

All four of the CEOs reported that their personal practice of servant-leadership centered on their commitment to serving the health needs of the community on at least two levels. First, they served the needs of the patients of their hospitals. However, they served the patients by first serving the needs of the employees of the hospitals. Included in those needs are provisions for employees for the best possible medical technology, working environment, continuing professional education opportunities, competitive wage and salary administration program, and an atmosphere of joy, respect, and hope for the future. If the employees have all of these needs met, they can best serve the patients.

The CEOs then extend their servant-leadership efforts out into the community by continuous improvement in health status. This means improving the mental, physical and spiritual well being of the citizens of their communities and therefore, the quality of life. They practiced leadership in community service by inspiring their organizations and their employees toward community involvement, by providing the resources necessary to conduct, for example, community health clinics for the poor, leadership in education for underprivileged children, and mobile mammography screenings for the underserved. The CEOs led and served their organizations and their communities toward the objective of better status of health and a higher quality of life for all citizens.

The participants also reported occasional barriers to personal performance as servant-leaders. They perceived an unusual feeling of pressure from their followers, which might flow from unrealistic expectations of perfection by their followers. One CEO compared his perception of pressure to the pressure that a major league baseball player reported as he approached breaking the long-standing home run record. This CEO is approaching the end of his career within the next 6 months and is feeling an unusual

amount of pressure to demonstrate his values and his traditions to the end.

Another CEO says that many leaders are subject to the human frailties of anger, deception, exploitation, and narcissism, all frailties of human nature. He says just because he is a servant-leader, that does not exempt him from human frailties, which he needs to be constantly aware of and on guard against. But this same CEO says that the thing that makes a servant-leader is the desire to serve, to serve his fellow workers, and in turn to serve the community around them. Even though he is human, and thus subject to human frailties, he can still be a leader who is committed to the betterment of those around him.

As Dan Wilford pointed out, there still exists a problem in the lack of diversity in hospital leadership. This is a shortcoming of the entire healthcare field and one that is incumbent upon servant-leaders to try to correct.

What Is the Servant-Leadership Effect on the Lives of the Employees and Communities Served by the Organization?

The consensus of the CEOs is that the servant-leadership model serves the employees and the communities in a very special way. First, the servant-leader is concerned about growing and transforming the individual and

the community (Burns, 1978). Employees are encouraged to focus on their own professional and personal growth, and, because of the example of community set by the servant-leader, they find it challenging, exciting, emotionally rewarding, and fulfilling to get involved in making others around them more complete and healthier.

What Advice and Counsel Would the CEOs Give to the Teachers and Students of Health Administration Today?

The consensus of the leaders is that there needs to be a renewal of emphasis on leadership values in our educational programs in health administration. Teachers need to emphasize the practice of helping students ask themselves about their own values while they are still students, and then to enumerate and teach core values of leadership such as integrity, courage, vision, inspiration, discipline, rigor, determination, humility, accountability, and responsibility. The four CEOs thought that the health administration coursework, particularly at the graduate level, tended to be too theoretical in terms of financial management, quantitative analysis, health insurance, and law. At this mature stage in each of their lives, they hoped that the young administrators in training would spend more time than they currently do thinking, talking, and

writing about core leadership values as they will be applied in their professional lives in the work world.

What Is Servant-Leadership Like in American Not-for-Profit Hospitals?

This investigation suggests that it is like the best that is in humankind. The data reflect the comment of one CEO that his work is like "love in action," his definition of love being that it is like extending one's self for the purpose of nurturing one's own or another's spiritual growth. The intent of servant-leadership is selfless. It is intended to encourage the growth of fellow workers and to improve the status of health and the quality of life in the communities they serve. It is about compassion, justice, mercy, peace, and harmony in the world around us. It is about the growth and good use of the assets of the organization, not for purposes of making a profit in economic terms, but for the development of goodness in society. The four case studies suggest that servant-leadership is a reflection of love in action.

Recommendations

This study is confined to four very successful organizations, each having successful and prominent CEOs. The CEOs were all white males, all approaching the age of 60, and all from families reported to have chosen lives of

community service and instilled those values in their children. Because the study is confined to only four organizations it cannot be generalized to the broader population of not-for-profit hospitals.

This study does suggest, however, the need for further research regarding servant-leadership. Further research is recommended concerning the following questions:

1. What are the servant-leadership experiences of women and minorities? What are the servant-leadership career opportunities for women and minorities?

2. How could servant-leadership be taught in a classroom setting?

3. To what extent is servant-leadership practiced in the investor-owned for-profit hospital industry?

4. How is the philosophy of servant-leadership instilled in leaders whose childhoods were spent in dysfunctional home environments?

Conclusion

The work of this study has been exploratory in nature. The data suggests that the servant-leadership model as developed by the four participant CEOs in this study is a viable model. The healthcare needs of the communities at each site have been well served, and the hospital organizations have also been very economically successful.

Indeed, three of the four organizations have grown to be the largest in their respective states.

It is apparent that American hospital leadership in general has not done an acceptable job of appointing viable women and ethnic minority candidates to senior executive positions. That problem is a challenge to the servant-leaders of today's hospitals and to those of the future. To address this challenge, the concept of servant-leadership is one that should be given appropriate recognition and attention in the curricula of post-secondary health administration programs.

However, the final and most noteworthy aspect of the servant-leadership model, as practiced in the four not-for-profit hospitals examined in this study, is that it is true to the admonition that we "love our neighbor as we love ourselves." It might even be said more simply, servant-leadership in American not-for-profit hospitals is:

Love.

UNIVERSITY OF NORTH FLORIDA
ACADEMIC AFFAIRS
4567 St. Johns Bluff Road, South
Jacksonville, Florida 32224-2665
(904) 620-2455 FAX (904) 620-2457

Division of Sponsored Research and Training

MEMORANDUM

TO: William C. Mason
Educational Leadership

VIA: Dr. Joyce T. Jones
Educational Leadership

FROM: James L. Collom, Institutional Review Boarc Signature Deleted

DATE: November 16, 2001

RE: Review by the Institutional Review Board #01-259
"Dimensions of Servant Leadership"

This is to advise you that your project "Dimensions of Servant Leadership" has been reviewed on behalf of the IRB and has been declared exempt from further IRB review. This approval applies to your project in the form and content as submitted to the IRB for review. Any variations or modifications to the approved protocol and/or informed consent forms as they relate to dealing with human subjects must be cleared with the IRB prior to implementing such changes.

If you have any questions or problems regarding your project or any other IRB issues, please contact this office at 620-2498.

sah

Attachments

c: Dr. Deborah Inman

Appendix B

INFORMED CONSENT

November 10, 2001

XXXXXXXX XXXXXXXXX
President and CEO
XXXXXXX Health System
XXXXXXX, XXXXXXXXX

Dear XXXXXXX,

I am in the process of conducting research for my doctoral dissertation on the subject of servant-leadership in not-for-profit hospitals in America. My doctoral studies are being done at the College of Education and Human Services at the University of North Florida in Jacksonville.

You have been identified by XXXXXXXXXXXXXXXXX and a panel of judges as an exemplar of servant-leadership in health administration. I will be honored, therefore, to have you serve as a participant in my study and allow me to describe you and your work in my dissertation. Your participation in the study will be completely voluntary, without compensation, and you will be free to discontinue at any time. Our conversations during the study will be tape recorded and kept confidential to whatever extent you direct. There are no foreseeable risks attendant to your participation. Your willingness to participate will be signified by your signature, below.

XXXXXX, I greatly appreciate your participation in this project. I hope that the finished product will be of value to health care leaders of the future. The Chairperson of my dissertation committee is Dr. Joyce Jones, 904-620-2990. Dr. Jones will be happy to answer any questions you may have.

_____ _____

XXXXXXXXXX XXXXXXX, FACHE Date

_____ _____

William C. Mason, Principal Investigator Date

Appendix C

Interview Participants

Memorial Hermann Health System

Houston, Texas

Dan Wilford	Chief Executive Officer
Steve Byrum	Spiritual Leadership Director
Beverly Conway	Partners in Caring Director
Gus Blackshear	Board Chairman
Kirk Spenser	Emergency Department Director

Baptist Health

Little Rock, Arkansas

Russ Harrington	Chief Executive Officer
Jill Massiet	Nursing Director
Wanda Bixler	Human Resources Director
Phil Mizell	Physician
Ben Elrod	Board Member

Integris Health System

Oklahoma City, Oklahoma

Stan Hupfeld	Chief Executive Officer
Patrick McGuigan	Community Member

Charles Morgan	Physician
Judy Hoisington	Board Liason
Ira Schelisinger	Patient Care Planner

Valley Baptist Medical Center

Harlingen, Texas

Ben McKibbens	Chief Executive Officer
Bob Duncan	Board Chairman
Shannon Palmos	Nursing Staff
Edward Perez	Chaplain Director
Eddie Caughfield	Community Member

Welcome

In the office of one of the CEO/Administrators of the Memorial-Hermann Healthcare System is a wall decorated with the kind of remembrances and rewards typical of persons on high levels of organizational success. There are a variety of degrees and certifications, pictures with important persons in politics, healthcare administration, and community leadership, and family portraits -- exactly what a visitor would expect to see.

Then, standing out among the collection of anticipated materials is a small, framed statement. No author is acknowledged; in all likelihood the person who made the statement in simply unknown. Yet, the statement is so important to this executive that its gains almost center-stage importance. Maybe it reflects how this executive feels about his own life and work, or captures something of his personal philosophy. Perhaps it uniquely captures something of his "faith." In stark simplicity, the statement reads:

> **"And what is as important as knowledge," asked the mind. "Seeing and caring with the heart," answered the soul.**

For everyone who reads this statement, there will be a different -- very personal -- meaning. The same is true of almost everything you will hear in this Institute. There are no prescriptions here that everyone must take in as some "Higher Truth." There is certainly no attempt to tell anyone how they must believe about anything. There is, on the other hand, a great deal of honest struggle for insight, for better ways to lead people, for better ways to understand our own personal individualities.

You are welcome here, not as a hearer, a sponge to soak up data, but as a fellow traveler on a journey toward higher articulation and clarification. You are invited to grow and, in growing personally, to become a better leader of others.

We will, indeed, hope that there is in these three days movement beyond "intelligence" and "the mind," and that we will experience the horizon of "caring," "seeing with the heart," and -- for want of better words -- "the soul."

The Evolution of an Idea

By mid 1997, a series of discussions was taking place between Dan Wilford and a small group of close friends and advisors. Wilford was "trying out" a new idea, an "Institute" that would involve business and organizational leaders -- beginning in healthcare -- in an exploration of the role of spiritual values in the workplace. Rising from both his own personal belief system and the needs he was observing in healthcare organizations, Wilford believed the "Institute" could fill many voids in both the personal and professional lives of healthcare leaders. His ideas were met with the most enthusiastic responses. Leland Kaiser even talked about an "Institute" that would become what he called "the school for the entire healthcare profession" in this vital area, a "school" which would reach out across the spectrum of healthcare to involve leaders in every phase of community life.

Immediate plans began to take shape which would lead to the establishment of a curriculum, the selection of key instructors, and a schedule of three initial sessions. Almost one hundred persons were involved in these initial sessions, and refinements and enhancements were made in every aspect of the "Institute." Evaluations from persons participating in the first sessions were overwhelmingly positive, and as word began to circulate about the "Institute's" existence, a ground swell of interest from across the country began to be expressed.

By late 1998, the decision was made to formalize the "Institute" and to offer a minimum of four sections in fiscal year 1999-2000, followed by eight sections in the next fiscal year. Almost 400 persons will be involved in these second-phase sessions. You are a part of the process as it is developing into this second phase. It is hoped that you will profit greatly from this experience, as others have before you. You will also be asked to make suggestions and offer insights that will advance the "Institute's" growth and development.

Plan to sit back, relax, and encounter ideas well outside the "box" that you inhabit on most business days. Understand, however, that what you find here "outside the box" is fully intended to go with back into your business-as-usual boxes and have a changing, even transforming, impact. Some of the ideas of this Institute will make you feel comfortable and affirmed, others will likely make for some challenge, even discomfort. All of the ideas will be important, all the conversations vital.

THE GUIDING CONCEPT

The "Institute" is designed to work on three levels which evolve across the better part of a year, and which are specifically carried out in the "Institute's" three, three-day sessions. The first session, which you are about to participate in, will be more **conceptual** in nature. Instructors will be more in a presentation mode, trying to establish a common frame of reference for what "spirituality" means in the workplace. A concerted attempt will be made to offer new ideas that are informative and provocative. Time is not spent in the repeating of old clichés and conventional approaches. It is assumed that most participants will be more than well versed in these areas. In no instance is *assent* to the ideas of any presenter a necessity. Instead, the "Institute" constructs an environment in which there can be a free flow of ideas without judgmentalism or criticism. All participants are expected to "make up their own minds" in total freedom of expression and thought.

The second session focuses on **application**. The principle is strongly followed that it is never enough to simply conceptualize. If ideas do not have concrete application in real-life situations, their credibility is suspect. The full intent of the "Institute" is to develop approaches to spirituality in the workplace which have a real impact on real people and their real life situations.

Finally, during the third session the concept of application is advanced a next step. Participants will be encouraged to attempt some "spirituality project" in their own lives and their own work places during the interim between session two and three. While instructors will work to bring closure to ideas developed in the first two sessions, participants will be given opportunity to report on projects they have initiated.

In addition to the sessions, participants will receive nine packages of information which advance and reinforce their studies outside the meeting times. This Session I Preview is the first of these documents. Interim readings will be made available to participants, and they will be able to access the "Institute" web site and contribute to its ongoing "chat room." Near the end of each calendar year, a two-day "Alumni" session will be held in which all previous participants will be invited to attend.

THE CONNECTION

ne 8 April 11, 2002 Number 8

Employee Survey Results:

'Co-Workers' Again Named 'Best Thing' About Work

By Robert Buchanan, Market/Research Planning Analyst, Strategic Development

This year, the tradition of "co-workers" being named in the employee survey as the "best thing" about working at BAPTIST HEALTH held true again, but only by a slight margin. Just behind "co-workers" was the "family atmosphere, good environment, and friendly faces."

"It is important that employees enjoy working with their co-workers, but it is just as important that the environment at BAPTIST HEALTH is something employees also value," said Russ Harrington, president of BAPTIST HEALTH. "All of us in Senior Leadership, as well as management throughout the system, make it a high priority for all employees to enjoy the atmosphere in which they work each day."

A quick sampling of employee comments from the survey question, "What is the best thing about working at your facility?" were:

- "I like working in a place that promotes integrity, quality workmanship, pleasant attitudes, enthusiasm and a family atmosphere."
- "I appreciate all of my co-workers, the job that they do and how well we work together as a team."
- "Working in a healthcare setting is like working with a big family. I enjoy becoming friends with my co-workers."
- "There is no feeling of 'ranks.' We have good Christian co-workers, caring physicians, management and staff. Everyone treats each other with respect."

The verbatim comment section on the survey is the opportunity for employees to express their thoughts, feelings and opinions in a candid manner. All of the comments, approximately 10,347 (2,038 more comments than last year), were compiled by an independent market-research company and reported exactly as they were written to BAPTIST HEALTH. The comments were then distributed to Senior Leadership, vice presidents, and managers and supervisors in each department.

"I receive a copy of every comment that is written by employees each year. I want to know what our employees are saying. This helps in determining areas of focus that may require extra attention during the coming year," Harrington said. "The next step will be for all of our managers to review their individual departmental results, share them with their employees, ask for input and suggestions, then prepare an action plan in response to the information they have accumulated. The survey is a valuable tool for us to use each year to continuously improve upon the working environment of BAPTIST HEALTH."

On question No. 14 — "What changes have you seen as a result of last year's survey?" — one out of six employees said "nothing" had changed. More than 90 percent of the responses for this question were positive and included such answers as: "holiday pay and weekend differential," "more open communication and support from management," and "better morale, attitudes and teamwork."

Some of the most frequent comments from the question, "What specific suggestions do you have to help management make your facility a better place to work?" were: "be impartial on policies and treat equally," "improve communications from direct manager/supervisor," and "hire more staff, increase patient-staff ratios."

Similar to question 14, the large majority of the responses from question 16 on the survey — "How can you make your facility a better place to work?" — were positive. Some of the most frequently mentioned responses were: "keep a positive attitude, do the right thing," "do all my best in my job," and "more teamwork, respect one another."

For more information about the employee survey, ask your immediate supervisor or department director, or contact Tony Kendall at ext. 2497. Managers needing more information about the survey may contact Robert Buchanan at ext. 2155 or Peggy Loyd at ext. 1424. ✣

The following are the most frequently mentioned responses to the four comment questions on the 2002 employee survey. All are listed in descending order with the most frequently mentioned responses at the top of each list.

Q. 13: *What is the best thing about working at your facility?*

1. Co-workers
2. Environment, atmosphere, treated like family, family atmosphere, friendly faces
3. Supervisor/manager (most mentioned by name)
4. Benefits (PTO, health insurance)
5. Patients, quality of care, difference I can make
6. Flexibility in job, flexible hours/scheduling
7. Teamwork
8. Christian atmosphere/organization (tie)
8. Helping, serving others (tie)
9. Freedom to do my job
10. Job security, no layoffs

Q. 14: *What changes have you seen as a result of last year's survey?*

Positive

1. Holiday pay, weekend differential
2. More open communication, support from management
3. Better morale, organization and structure
4. Better attitudes, teamwork
5. Better pay
6. New equipment, improvements
7. Attendance policy
8. Acknowledge and recognize employees (Servant's Heart award display, birthday breakfasts)
9. More help, more staff hired

Negative

1. Attendance policy (too strict on tardy, weather, sick days)
2. More work/less staff

Q. 15: *What specific suggestions do you have to help management make your facility a better place to work?*

1. Be fair, impartial on policies, treat equally, consistent, no micro-management
2. Improve communications — honest, timely, accurately
3. Hire more staff, increase patient-staff ratios
4. Increase raises, pay, offer bonuses, incentives
5. Listen to staff; ask for input
6. Update equipment, provide supplies needed (furniture, update signs)
7. Keep doing what you are doing, everything is great
8. Management be available, visible, roll up sleeves, work beside us
9. Continue to make work fun (tie)
9. Crack down on and get rid of lazy staff/bad supervisors/managers (tie)

Q. 16: *How can you make your facility a better place to work?*

Positive

1. Keep a positive attitude, do the right thing, be professional; a role model
2. Do "All My Best" in my job
3. More teamwork, respect one another
4. Provide excellent customer service, patient satisfaction, give 100 percent
5. Focus on patient care, make patient care a No. 1 priority
6. Increase educational knowledge/skills, attend seminars/classes, cross train
7. Support my co-workers
8. Work harder at my job, be available more hours
9. Support BH mission, use values learned in Traditions
10. Support management/leadership, promote Christian values

Negative

1. More recognition, positive support
2. More communication from direct manager/supervisor

ployee Service ards Scheduled June 6

The annual employee service ds will be held June 5 at Alltel a in North Little Rock. The ues begin at 5 p.m., and all loyees with at least five years rvice at BAPTIST HEALTH are d. All managers also are encou to attend regardless of service ll...look for more details soon.

unteer/Grant quests Due Friday

The deadline is nearing for C-LR/BHRI Auxiliary's annual iteer needs assessment survey rtments that want to use or are ntly using volunteers should t a request form, or call Jim ons in the volunteer office, 2192, by Friday, April 12. The rary also is accepting applica for grant funds through April 12. departments from BHMC-LR, , and the Schools of Nursing llied Health may apply.

nmunity Benefit entory Forms Due

It is time to turn in 2001 VHA munity Benefit Inventory forms. leadline for these forms to be leted is April 19. Please mail to Sandra J. Brown in gic Development. For more nation or additional forms, call Brown at ext. 1961.

Credit Union nsoring Car Sale

The BAPTIST HEALTH Federal Union's spring car sale will be April 12-20. As a credit union er, you can save on a new vehi m dozens of participating auto s. More information is available credit union's web site, which e accessed via EmployeeNet ther "Information" section.

ernity and Baby Coming HMC-LR

BAPTIST HEALTH Women's hildren's Services will hold a nity and Baby Fair from 10 a.m. m. on Saturday, April 27, J.A. Gilbreath Conference r at BHMC-LR. In addition to ntations on labor and delivery, feeding, child development, thy slings, there will be free inations, car-seat safety checks, organ Nick Alert ID registration.

Western Village Academy
1508 N.W. 106th
Oklahoma City, OK 73114
(405) 751-1774

"Critical Success Factors"

General Enrollment	May-98	May-99	May-00	May-01	2002 Target
Regular Day School	305	283	338	320	320
After-School	0	100	65	100	125
Summer School	0	100	102	100	125
Parental Class Participation	0	0	0	25	75

Standardized Test Scores	May-98	May-99	May-00	May-01	2002 Target
ITBS Reading 3rd Grade*	26	46	24	33	50
ITBS Math 3rd Grade*	36	57	23	25	50
ITBS Language 3rd Grade*	45	64	23	28	50
CRT Reading 5th Grade - % passing	33%	41%	48%	51%	50
CRT Math 5th Grade - % passing	52%	88%	93%	74%	90
CRT Writing 5th Grade - % passing	46%	59%	86%	85%	90
ITBS Reading Grades 2-5**	43	31	29	37	50
ITBS Math Grades 2-5**	47	40	33	35	50
ITBS Language Grades 2-5**	55	38	34	36	50

Other Critical Success Factors	May-98	May-99	May-00	May-01	2002 Target
Student Attendance Rate	92.1%	94.1%	95.4%	93.4%	95%
Student Suspensions	48	28	43	65	50
Student Referrals	N/A	377	336	200	175
Students Eligible/Free Lunch Programs	94.1%	87.1%	90.0%	82.5%	80%
Student Mobility Index	N/A	31.7%	25.8%	26.5%	25%
Teachers Meeting Instructional Goals	N/A	0%	70.0%	80.0%	85%
Teacher Turnover Rate	N/A	80.0%	21.7%	30.0%	20%
Parent/Teacher Conf. Attendance	59.6%	63.0%	70.0%	77.0%	90%
PTA Membership	151	24	45	121	150
Community Volunteers	N/A	45	93	75	80
Mentors	0	15	120	120	150
Partners	0	1	18	10	15
Vandalism Dollars	$ 311.0	$ 117.0	$ 250.0	$0.0	$0.0

Health Status Indicators	May-98	May-99	May-00	May-01	2002 Target
Scheduled Immunizations Completed	N/A	76.20%	94.6%	99.3%	100%
Vision Screening % Completed	N/A	61.00%	98.5%	97.4%	100%
Dental Screening % Completed	N/A	61.00%	97.6%	98.4%	100%
Hearing Screening % Completed	N/A	64%	97.6%	96.5%	100%
Student Population with Asthma %	N/A	7.69%	8.2%	7.7%	10%
Student Weight - Over %	N/A	N/A	N/A	21.2	15%
Student weight - Under %	N/A	N/A	N/A	4.7	2%

Fund Raising	May-98	May-99	May-00	May-01	2002 Target
Submitted Grants	N/A	5	18	13	15
Grant Amounts Received	N/A	$ 70,700	$ 486,763	$ 500,000	$ 750,000
In-Kind Gifts	N/A	$ 10,000	$ 91,400	$ 42,000	$ 75,000
Total Funds Raised	N/A	**$ 80,700**	**$ 578,163**	**$ 542,000**	**$ 825,000**

* Source: OK State Department of Accountability 1999; Western Village School Summary 2000, 2001
**Source: OCPS Research Dept.; Western Village Achievement Test Comparisons Report 2000, 2001

Western Academy

1508 N.W. 106th
Oklahoma City, OK 73114
(405) 751-1774

"Critical Success Factors"

Community Data*	1998	1999	2000	2001
Neighborhood Assoc. Members	N/A	400	392	300
Stabilization Rent-To-Owner Ratio	N/A	1:1	1:1	1:01
Beautification Projects per Year	N/A	3	4	0
Homes on the Market	N/A	64	66	44
Average Age of Homes	N/A	33	34	36
Average Price of Homes	N/A	$ 55,957	$ 64,091	$ 56,380
Dwellings/Code Violations per Year	N/A	120	125	87

Crime Statistics (73114)**	1998	1999	2000	Y-T-D 2001
Homicide	4	1	2	0
Rape	3	7	4	2
Robbery	11	21	6	9
Assaults	59	166	88	52
Burglary	87	221	79	35
Auto Thefts	122	81	42	16
Total Crimes	**286**	**497**	**221**	**114**
Crime Rate per 1,000 People	**20.54**	**35.69**	**15.26**	**7.66**

Community Description+	Total Pop.	<18	18-44	45-64	65+
1998 Age Distribution (73114)	13,925	4,231	5,833	2,433	1,428
1999 Age Distribution (73114)	14,484	4,444	5,987	2,604	1,449
2000 Age Distribution (73114)	14,874	4,585	6,057	2,802	1,430
Community Age Percentages	**100%**	**30.8%**	**40.7%**	**18.8%**	**9.6%**

Population Statistics (73114)+	1998	1999	2000	% Growth
Households	5,269	5,516	5,727	8.7%
Average HH Income	**$ 37,754**	**$ 39,296**	**$ 39,519**	**4.7%**
< $15, 000	1,257	1,119	1,099	-12.6%
$15,000 - $24,999	1,137	1,125	1,113	-2.1%
$25,000 - $34,999	803	872	958	19.3%
$35,000 - $49,999	967	1,037	1,105	14.3%
$50,000 - $74,999	718	915	964	34.3%
$75,000 - $99,999	213	274	302	41.8%
$100,000+	174	174	186	6.9%

OKC Population Statistics+	1998	1999	2000	% Growth
Households	393,282	403,616	409,266	4.1%
Average HH Income	**$ 45,614**	**$ 45,657**	**$ 47,039**	**3.1%**
< $15, 000	77,816	75,405	71,930	-7.6%
$15,000 - $24,999	64,619	63,517	61,421	-4.9%
$25,000 - $34,999	59,180	57,650	59,167	-0.02%
$35,000 - $49,999	71,197	71,263	72,435	1.7%
$50,000 - $74,999	70,042	74,863	77,919	11.2%
$75,000 - $99,999	29,704	32,149	34,710	16.9%
$100,000+	20,724	28,769	31,700	53.0%

Sources: *Realtor.com database; Western Village Neighborhood Association, 1999. **OKC Police Uniform Crime Reports 2000, 2001
+VHA Oklahoma Inforum 2000, 2001

Table 2

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Vita

William C. Mason, FACHE

William Mason has had a long career in Health Administration spanning nearly 4 decades. A native of Montgomery, Alabama, Mr. Mason received his undergraduate degree from the University of Louisiana, Lafayette and his master's degree in Health Administration from Trinity University in San Antonio, Texas.

Mr. Mason's career began in the U.S. State Department's Agency for International Development in 1966, serving in the American Embassy in Saigon, South Vietnam until 1969. During that period he had assignments in developing hospitals for the civilian population of South Vietnam, and also had the privilege of serving for a period on the administrative staff of the Ambassador, the Hon. Ellsworth Bunker.

Following his 3-year assignment in Vietnam, Mr. Mason transferred to Nairobi, Kenya for Swahili language training and then served for 3 years as Chief Executive Officer of the Baptist Hospital of Mbeya, a city in the mountains of southwest Tanzania. That assignment was followed by 4 years as CEO of the Baptist Medical Center of Bangalore, India.

In 1978, Mr. Mason returned to the United States as Administrator of the Baptist Medical Center in Jacksonville and was promoted to President and CEO in 1983. In the decade that followed, Baptist grew into a four hospital system and, in 1995 became Baptist/St. Vincents Health System, with Mr. Mason as its first President and CEO and later Chairman of the Board. Currently, Mr. Mason also serves as Adjunct Professor of Health Administration at the University of North Florida.

Mr. Mason was elected Chairman of the Florida Hospital Association and received their Award of Merit for Lifetime Achievement. He recently received the Jacksonville Business Journal Award of Merit for Lifetime Achievement and has been inducted into the Jacksonville Business Hall of Fame. Mr. Mason was honored with the Humanitarian Award by the National Conference of Christians and Jews. He has served on numerous community and bank boards and served as the Chairman of the Jacksonville Chamber of Commerce for the Year 2000.